Govt.

Journal of Administration Overseas

DARTMOUTH COLLEGE
SEP 6 1973
LIBRARY

Volume XII/Number 3/July 1973

Price 32½p quarterly net; annual subscription including postage £1.50

INCLUDING

Migration, Urbanisation and National Development
by George Franklin

Public Enterprises in Developing Countries
by Garth Glentworth

Consolidation of Holdings in Uttar Pradesh
by K. D. and Kamla Trivedi

BOOK REVIEWS
by Dr. Hans Singer, A. H. M. Kirk-Greene, Barrie Macdonald, Dr. Alan Milner, Anne Martin, David Taylor, Rowland Hudson

Published for the Foreign and Commonwealth Office, Overseas Development Administration

HER MAJESTY'S STATIONERY OFFICE.

This *Journal* is edited in the Social Affairs Department of the Foreign and Commonwealth Office Overseas Development Administration. It aims at providing a medium for the exchange of information about administration at all levels, whether in local government or in the organization of central departments. It also covers land tenure. Nothing in the *Journal* should be read as necessarily representing official views or policy unless this is specifically stated. The responsibility for facts and opinions expressed in signed articles rests with the authors.

NOTES TO CONTRIBUTORS

Articles for publication in the *Journal* from serving officers and others with knowledge and experience in the field covered by the *Journal* are welcome and should be addressed to the Editor, Social Affairs Department, Foreign and Commonwealth Office, Overseas Development Administration, Eland House, Stag Place, Victoria, London SW1E 5DH.

Books for review, reports and communications for the Editor should be similarly addressed.

Twenty off-prints are supplied free of charge on request to contributors whose articles are published. Requests for off-prints should be made at the time articles are submitted. Off-prints in excess of twenty are charged for at a rate relative to the length of the article.

Orders and subscriptions should be sent to Her Majesty's Stationery Office at the addresses given below.

The Government does not accept responsibility for any of the private or trade advertisements included in this publication

Published by

HER MAJESTY'S STATIONERY OFFICE

49 High Holborn, London WC1V 6HB

13a Castle St., Edinburgh EH2 3AR 109 St Mary St., Cardiff CF1 1JW
Brazennose St., Manchester M60 8AS 50 Fairfax St., Bristol BS1 3DE
258 Broad St., Birmingham B1 2HE 80 Chichester St., Belfast BT1 4JY
[or through booksellers

Price 32½p net, annual subscription including postage, £1.50

© *Crown copyright 1973*

J

VO

Co

Ed

Mi
by

Co
a s
by

Pu
so
by

Ac
po
by

Ph
Re
by

Qu

Bo

Bo

Journal of Administration Overseas

VOLUME XII/NUMBER 3/JULY 1973

Contents

Editor's Notes 171

Migration, Urbanisation and National Development
by George Franklin 172

Consolidation of Holdings in Uttar Pradesh –
a study of policy implementation
by K. D. Trivedi and Kamla Trivedi 179

Public Enterprises in Developing Countries –
some suggestions on creation, organisation and control
by Garth Glentworth 190

Administrative Developments in Ghana – some effects of
post-independence broadening of international contacts
by Chris Stevens 206

Philippine Clues to a Comparative Study of Municipal
Reform in Developing Nations
by A. B. Villanueva 215

Quarterly Notes: 218
UN Seminar on Administrative Reform
Giant Water Project for India
Public Administration Training in Africa
Citizen Participation in Regional Development
Local Government in New Zealand
The Consequences of the Stockholm Conference to Local Government
Human Settlements

Book Reviews 224

Book Notes 237

Editor's Notes

"Let us . . . remain the friends and lovers of the great city in all that we do to improve its government, its politics and planning, and thereby raise the quality of life of its citizens."—PROFESSOR WILLIAM A. ROBSON

URBAN growth presents developing countries in particular with an ever-increasing complexity of problems. It cannot be halted, nor can migration from rural areas be stopped. But if realistic national development policies are pursued which co-ordinate both rural and urban needs, then as George Franklin suggests in his article on urbanisation "an acceptable way of life for the whole community" is not beyond reach.

One way to provide a disincentive to rural emigration is to improve the prospects of peasant farmers by the consolidation of land holdings in those areas where fragmented and inadequate homestead plots perpetuate rural poverty. Mr. and Mrs. Trivedi's picture of the Consolidation scheme in Uttar Pradesh provides an interesting example of what can be done – it may not solve the problems of social and economic inequalities, but, as they point out, it does present an opportunity for rural development provided other essential items of infrastructure are also made available – particularly credit agencies.

It would be generally agreed that popular participation in the decision-making process at local level is one way to stimulate interest and initiative in rural and urban local government. In his short article Professor Villanueva looks at the manner in which "citizen participation in municipal governance" has come about in the Philippines and he urges further research be undertaken in this field over a wide geographical front.

After local government autonomy, Garth Glentworth provides some lively thinking on the autonomous shape that the State should accord to public enterprise in developing countries. If Public Corporations are to provide an efficient and successful public service a prerequisite must be a basically sound infrastructure and an adequate control and management system laid down in appropriate legislation. Garth Glentworth puts his ideas cogently and forthrightly. Obviously the autonomy of the State must override that of all bodies the state may create, and it may be considered debatable whether some of the suggestions here might not impinge upon the state's own autonomy.

Finally Chris Stevens examines the effects in post-independence Ghana of new trade and aid relationships reached with Russia. One lesson is clear; whether the donor has a mixed or a centralised economy, the recipient country seems likely to face the same basic problems and with freedom of manoeuvre inevitably limited.

Migration Urbanisation and National Development

The Need for Urban-Rural Co-operation in Developing Countries*

By GEORGE H. FRANKLIN

Senior Planner, Overseas Division Building Research Station, and Physical Planning Adviser, Overseas Development Administration, Foreign and Commonwealth Office.

GROWING attention is being paid to the problems resulting from the large-scale and unplanned growth of urban areas in developing countries, those territories overseas, mostly in tropical regions, which house the poorer under-privileged majority of the world's peoples. In this paper I want to call attention to the needs of the rural areas in developing countries, and to show that it is unrealistic to consider the problems of urban and rural areas separately, that each forms part of one overall problem of under-development requiring positive and co-ordinated action.

I should begin by offering my apologies, for much if not all of what I have to say is already well known. I have nothing new to put forward in this paper. In my opinion it is not a question of developing and presenting fresh ideas and techniques, but of restating and attempting to gain the acceptance and application of the kind of policies and programmes, still largely untried, which have been advocated on previous occasions.

Although conditions in developing countries vary considerably, from country to country and from continent to continent, most of them share a number of features. The great majority of people live in the rural areas where services and opportunities are normally few, and there seems to be little hope of economic or social advancement, developed – not potential – resources of all kinds are severely limited in relation to overall needs, there are high and rising levels of unemployment, as well as large-scale and unplanned movements of people from the rural into the urban areas. This rural-urban migration, resulting in too-rapid and unbalanced urban growth – for most of this growth takes place in the larger urban concentrations, is one of the major problems facing the developing world today.

How great in fact is this problem? Between the years 1920 and 1960 urban populations in the more highly developed countries little more than doubled, whereas they increased five-fold in the developing world. In 1960, at the beginning of the First Development Decade, the developing world had an urban population of 319 millions. It was estimated then that by 1970 over 200 million new inhabitants would crowd into the cities of Africa, Asia and

*This paper was originally presented at the *Institute of Rural Life at Home and Overseas Annual Conference – ODA London – 6-7 June, 1972. Co-operate or Perish: Proposals for Rural and Urban Life in the Second Development Decade.*

Latin America and, if present trends continue, by 1980 they will contain 100 million more inhabitants than the cities of the developed world.

Development implies urbanisation, but the view that nothing should be done to hinder the growth of cities, and the movement of people from rural areas into the larger urban centres where they can form the basis for industrialisation, and therefore of economic growth, cannot be accepted, for it gives little if any consideration to the human and social problems which arise under today's circumstances. This concept may have been valid during the nineteenth century when cities grew in response to the growth of industry. The problem in urban centres in developing countries today is not the need to increase the size of the labour force, but the complete inability to provide sufficient employment opportunities for those already living there.

There is no doubt that urbanisation has a positive role to play in the development of a country, but there is little point in actively encouraging increases in urban populations, particularly in the larger cities, beyond the ability of the community not only to create sufficient employment, but also to provide the opportunity for shelter, education, health and other services, and ensure an adequate way of life. In most cases new city migrants merely add further to existing problems of unemployment, squatting, overcrowding, squalor, disease, crime and general social – and often political – unrest.

It may be argued that rural areas are frequently unable to support growing populations, but flight to the larger towns and cities is no solution to this problem. Opportunities for increased employment rarely needs to be confined to existing urban centres, and much can often be gained by guiding movements of population, and co-ordinating them with the development of natural resources, and the creation of new jobs in rural areas as well as in smaller urban settlements.

Attempts however sincere to improve bad urban conditions are often of limited and doubtful value. An attractive city centre with well-designed buildings, monuments and public open spaces can be no real cause for pride if the greater part of the city is occupied by squatters, increasing daily in numbers, but screened from the sight of visitors and the conscience of the more privileged members of urban society by carefully sited buildings. A programme designed to rehouse a proportion of the existing squatter population of a city, though commendable, has served little purpose if, on completion, more squatters remain to be housed than there were at the beginning of the programme.

All forms of urban development, whether or not they meet some local need or lead to some local improvement in the environment, cannot fail to add to the apparent attraction and opportunities of the city and, in the absence of development on a much broader scale within the region, may well further encourage the movement of people into the city, and worsen rather than improve the overall situation.

In 1968, on a return visit to Indonesia, I was asked in what way the relatively small municipal budget of Djakarta the capital should be spent. On being told that the annual increase in population of the city was in the region

of 180,000 – the equivalent each year of the population of three British post-war new towns – I suggested that the money should be spent, not on local improvements but on development as far away from the capital as possible, in an attempt to persuade some of the families thinking of migrating to Djakarta to remain where they were.

No municipality of course could use its limited resources in this way, but it illustrates the dilemma in which most cities find themselves. If attempts to alleviate and solve existing urban conditions and problems are to have any chance of success, it is necessary in the first place to prevent the present situation from worsening. Unfortunately this is beyond the ability of any city for, apart from the limited resources available for this purpose, part at least of the cause of urban problems, as well as the possibility of their amelioration or solution, are to be found well beyond the boundaries of the city and the authority of its administration.

This is true not only for cities but for regions also. In Indonesia for example, roughly 80 millions, over two-thirds of her 120 million population, live in Java and Madura which have only 7 per cent of the total land area of the country, and one of the highest population densities in the world. It is acknowledged by the Government that although Indonesia's problems, like her people, are to be found mainly in Java, the main answer to those problems lies in the development of the land and natural resources in the rest of her territory.

In spite of this, most investment still takes place in Java, increasing the apparent opportunities to be found there, and encouraging further migration from outside. Such attempts as are made to reverse this trend by opening up new development opportunities elsewhere lack conviction, and are on far too small a scale to be effective. This can clearly be seen in the official migration programme where the 40,000 people moved from Java during 1971 were a fraction only of the total number which, during the same period, moved in the opposite direction into Java under their own initiative.

Problems arising from too-rapid and unbalanced urban growth are arousing the attention and concern, not only of the developing countries themselves, but of many international and national agencies. The United Nations Organisation for example is becoming increasingly involved in problems of urbanisation, and the Ford Foundation has recently completed an International Urbanisation Survey of conditions in developing countries, which is intended to form the basis for consideration of future action in this field.

The positive economic contribution made by cities, as well as the magnitude and intensity of their needs and problems, are clearly discernible and, perhaps for this reason, urban areas often appear to receive a disproportionate amount both of attention and of the limited resources available, bearing in mind that some 80 per cent or so of the population of developing countries still live in rural areas. Although urban areas will continue to grow whatever action is taken, due to both the natural increase in population and migration, at least a reduction in the magnitude of future urban problems and the rate of their growth might be possible, if greater attention was paid to the needs and potential of the rural areas.

The emphasis which so often seems to be placed on urbanisation problems does not mean that the needs of the rural areas are being ignored. Several agencies of the Overseas Development Administration for example, such as the Land Resources Division and the Tropical Products Institute, as well as other organisations such as the Institute of Rural Life at Home and Overseas are mainly concerned with aspects of rural development.

In 1967 a Working Group was established by the then Ministry of Overseas Development to consider the problems of rural development which in its report published in 1969 it defined as:

> "any series of *integrated* measures having as their purpose the improvement of the productive capacity and standard of life, in its broadest sense, of those in developing societies who live outside the urban areas, and particularly of those people who depend directly or indirectly on the exploitation of the soil."

I have italicised the word "integrated" as I consider that this is the essential approach with all forms of development, whether at national regional or local levels.

More recently, the Select Committee on Overseas Aid in its report of March 1971 recommended the establishment of a Rural Development Centre. A new Working Party has since been set up by the Tropical Products Institute, in order to determine the aims of such a Centre, and to liaise with those bodies in Britain both Governmental and non-Governmental which have an interest in this field.

Measures of this kind, which attempt to encourage and co-ordinate efforts directed towards rural development, are essential if people in developing countries are to be persuaded to remain within rural areas, and if existing urban problems, bad enough as they are at the moment, are not to become progressively worse and quite beyond solution. However, rural development must not only provide opportunities for productive employment, but also access to the services and amenities which usually are only available, however inadequately, in the urban areas.

Co-operation between urban and rural areas is essential if both are not to suffer and perhaps eventually to perish. The larger towns and cities urgently require some respite from the masses of migrants constantly flooding into them, if they are to be able to make an effective start on the solution of their many problems, whereas the rural areas cannot afford to go on losing indefinitely to the cities many of their most promising members on whom the future development and life of the community should depend.

There is a further reason for co-operation as neither the urban nor the rural areas have the answer to the economic and social problems facing developing countries. Both must make their contribution, in co-operation, not competition. The task is a formidable one, for it is estimated that the net increase in the potential working population throughout the developing world during the Second Development Decade is likely to reach 226 millions, compared with only 55 millions in developed countries.

The Report of a Working Group on Rural Development mentioned earlier and published by the Ministry of Overseas Development in July 1969 summed up the situation clearly when it said that:

> "at the heart of the problem of development in the poorer countries lies the question of how the economy of the towns and the rural sector can grow in harmony."

Rural development and employment in agriculture are not, and should not be seen as second-rate alternatives to industrial development. No one will deny the importance of and the need for industry, but this does not have to be at the expense of agriculture. Any programme of industrialisation has to be developed gradually, and will only be successful if it is based upon a healthy and prosperous agriculture, which must provide the food needed by growing urban populations, as well as supplying many of the raw materials for industry. A thriving rural community – and the great majority of people in developing countries still live in rural areas – is also an essential part of the consumer market for the products of an expanding industry, as well as being a source of financing for further economic development.

"Public participation in planning" – the opportunity for each member of the community to have a say in the planning process – has come to be accepted in the United Kingdom as desirable. I believe this to be just as desirable in developing countries, though in a different form. Only too often development policies and programmes appear to benefit a privileged minority, leaving the majority of people untouched. Instead they should attempt to create opportunities for every member of the community, both in urban and rural areas, not only to make an effective contribution to the development of his country, but also to have a share in the economic and social benefits which result from such development.

However, the kind of policies and programmes which will help to bring about the co-operation needed between urban and rural areas, and encourage participation by each member of the community, cannot be introduced on a purely local or voluntary basis. They must be established at national and regional levels by Government. Such policies and programmes should aim not at achieving the highest possible economic returns, but at developing and utilising as fully as possible all natural resources in both urban and rural areas, and should provide the framework of development within which individual communities and families can co-operate and contribute.

This will only be possible if national plans are no longer thought of in terms of separate, unrelated, unco-ordinated, and frequently competing sectors of development such as agriculture, industry, roads, education, housing, etc. All sectors should form part of one comprehensive plan of development, based on the effective employment of both people and resources. Housing can be taken as an illustration of the way this might be done.

Housing programmes, while providing shelter, should form part of and be used as a means of implementing national and regional development policies. Instead of attempting to house families already living in the larger urban centres, or building prestige housing projects in the capital and other

cities, low cost housing should be used to support new projects in agriculture and industry, strengthen existing and new rural settlements, and help to establish a more balanced distribution of urban facilities.

Much more emphasis also needs to be placed on the harnessing of the initiative, time and energy of the people themselves, many of whom, in the absence of any help or guidance from Government, move out of the rural areas into an alien and usually hostile urban environment, in an attempt to make a new life for themselves and their families. These people either crowd into the already overpopulated slums of the city, or more usually help to extend the vast squatter communities which are becoming an increasingly large and unsightly proportion of city areas.

What should be done about such people, for it is quite impractical to consider any large-scale removal or resettlement? First of all they should no longer be considered and treated as criminals and outcasts, but recognised for what they are, potential contributors to the economic life and social well-being of the city. The practical solution in most cases is to give them the legal right to use the land they occupy, to permit the use of semi-permanent forms of construction, and standards determined by the materials they are able to acquire and their own ability, to plan the area so that there is as little physical disturbance as possible and, in co-operation with the former squatters, initiate a phased programme of improvements, including the provision of basic services, in order to enable the area and its people to be incorporated into and become an accepted part of the community.

While the resources for measures even of this limited nature may not be easy to find, this form of action, which makes full use of the ambitions and labour of the people themselves, is likely to achieve far greater returns than more normal forms of development, both where the general improvement of the whole urban environment is concerned – though this may not be readily discernible to Western eyes – and in the economic benefits to the community and the improved social well-being of many families.

However, such action should form part of a much broader programme which must attempt, wherever possible, to retain potential migrants and their initiatives within the rural areas, and harness them to the growth of existing and new communities, within a framework of development which can only be provided by Government. Unfortunately, even when national plans emphasise the need to encourage rural development, all too often the measures necessary to help bring this about, such as the selection and development of new growth points, a policy for the development and distribution of industry, and investment in urban services, are absent from such plans.

A thriving rural community will not come into being solely through its own efforts, any more than the problems of cities can be solved within their own boundaries. What is needed is an end to the present *laissez-faire* approach to development adopted by many Governments, with its emphasis on economic returns, and the inevitable over-concentration of industry and other forms of investment in the region of the capital city and other major urban

centres, and its replacement by a planned and more equable distribution of development based on local employment needs and the availability of resources.

There is no easy solution to any of the difficulties and problems facing developing countries for, whatever action is taken, there will always be unemployment, people will continue to move away from the rural areas, and cities will continue to grow. However, I believe that through:

the adoption of realistic national development policies;

the implementation of comprehensive regional development programmes, based on the economic and social needs of the whole community; and

the rational use of traditional techniques and appropriate levels of technology;

it is possible to:

utilise more fully the resources available in both urban and rural areas;

bring greater employment opportunities and essential services to rural populations;

create a more balanced distribution of urban development;

reduce rural-urban migration;

slow down the rate of growth of major urban centres; and

make possible in both urban and rural areas an acceptable way of life for the whole community.

Consolidation of Holdings in Uttar Pradesh

A Study of Policy Implementation

By K. D. TRIVEDI and KAMLA TRIVEDI

Mr. Trivedi is a Lecturer and Mrs. Trivedi a Research Scholar in the Department of Public Administration, University of Rajasthan, Jaipur.

It is an axiom accepted all over the world today that excessive fragmentation of agricultural holdings is one of the most serious obstacles to efficient and profitable farming. Indeed, in many countries, ways and means of overcoming this obstacle are given a prominent place in their plans for the rehabilitation of agriculture. The Indian scene has been marked by this phenomenon and the low agricultural productivity of the land has been frequently ascribed to the progressive sub-division of holdings in almost all parts of the country. This situation is particularly serious in the State of Uttar Pradesh where over 80 per cent of holdings were comprised of less than five acres.[1] Even such a holding, small in itself, was not usually made up of a single complete block (or even two such blocks) but lay scattered in small plots over a large area sometimes even beyond the boundary of one revenue village.

The process of diminution in the size of the average holding in Uttar Pradesh was noted by the U.P. Banking Enquiry Committee in 1929 and again by the Zamindary Abolition Committee in 1948. Fragmentation has chiefly been due to the division of property among heirs under the laws of inheritance. The social usage which sanctions the claim of each heir to a separate share in each type of village plot has expedited the rate of fragmentation. It has been accentuated "by the expansion of cultivation irregularly over the waste (land), by purchases and sales and by the extinction of families in default of direct heirs and the division of their property among a large number of distant relations".[2] The evil of fragmentation has gone to extreme limits in certain parts of Uttar Pradesh. There have been cases where a village with an area of 150 acres was found to contain more than a thousand plots or a cultivator with two acres of paddy land possessing more than 150 plots[3].

That a system of dispersed or scattered holdings is wasteful of labour and capital is quite obvious. Scattered holdings render sound cultivation impossible and tend to increase the cost to a point at which cultivation ceases

[1] *First Five Year Plan*, pp. 199-202.

[2] *Report of the Royal Commission on Agriculture*, 1928.

[3] I. D. N. Sahi, "Consolidation of Holdings", *Journal of the National Academy of Administration*, Vol. IX, No. 2, April, 1964.

to be economical. Agriculture suffers in terms of inputs. It is also not possible to carry out permanent improvements to the land. Small scattered plots are thus neither generally fit for the introduction of rational agricultural practices nor are they conducive to the furtherance of mutual amity and peace in the village community.

Consolidation of holdings is the most direct method of curing the evils of fragmentation. The term has been defined as "the re-arrangement of holdings in any area between the several tenure-holders entitled thereto in such a way as to make the holdings held by them as such more compact"[4]. Consolidation is not a measure of social justice. It does not aim at or result in creating economic holdings where they did not exist before, nor does it result in giving land to the landless. It is a process of giving value for value and making the value better for all.

First Steps towards Consolidation

In Uttar Pradesh, though measures to combat the problem of fragmentation were contemplated at different times, no energetic and effective steps were taken till the Act of 1953 which provided for compulsory consolidation whenever the government decided that it was ready to act in a particular area.

Beginning in 1923, a campaign was conducted to consolidate holdings through co-operative societies. During 1940-41 in one of his reports the Registrar of Co-operative Societies felt that the advantages of consolidation were "being increasingly realised"[5] and 218 societies had consolidated 100,000 *bighas* of land and reduced the number of plots in the consolidated areas by about 90 per cent[6]. In 1939 the Uttar Pradesh Consolidation of Holdings Act VIII was passed which provided that any proprietor, any *lambardar*, or the cultivators cultivating a third of the village area might apply for an order of consolidation, whereupon all suits for the partition of holdings were halted. After putting the land records in order a consolidation scheme was drawn up. Each cultivator was given land suitable for each of the principal crops of the village. The results of this measure were not encouraging due to a variety of reasons. Finally the legislative enactment known as Consolidation of Holdings Act (U.P. Act No. 5 of 1954) was passed[7]. This Act incorporated within its ambit the experiences gained from the U.P. Act of 1939 as well as from the East Punjab Holdings Act of 1948. The U.P. Act sought to check excessive fragmentation of holdings and to consolidate the existing fragmented and scattered holdings into two or three compact blocks.

Consolidation during the Five Year Plans in Uttar Pradesh

Consolidation of holdings scheme was started in its present form in the year 1954-55 in the two *tehsils* of the districts of Muzaffarnagar and Sultanpur

[4] *Consolidation of Holding Act*, Uttar Pradesh, 1953.
[5] *Report of the Registrar of Co-operative Societies*, 1940-41, para. 41. (Farmers interested in the consolidation of their holdings were called upon to form co-operative societies. The work of consolidation thereafter was done by these societies.)
[6] *Ibid*, 1931-32 to 1940-41, Statement B.
[7] The Act of 1939 could not achieve much success as the option for initiating the consolidation operations was left to the cultivators who could seldom evolve a consensus. The Act of 1954, therefore, placed this responsibility on the State.

respectively. Till December 1960, the consolidation programme had a coverage of about 22,900 villages in 59 tehsils of 35 districts in the State. Up to March 1970 the total area under the consolidation operation was 253.32 lakh acres (10,132 million hectares*). By the end of 1972 consolidation operations over 264.51 lakh acres were completed.

At the close of the First Five Year Plan the operations had extended to 34 lakh acres, and possession had been transferred over 189,570 acres. During the Second Plan period, exchange of possession was effected over 5,204,059 acres. A target of 90 lakh acres of transfer of possession was fixed for the Third Five Year Plan. During this Plan the operations were extended to 6,798,414 acres. By the end of the Fourth Five Year Plan the area covered would be 28,457 lakh acres.

According to the tentative programme, consolidation would be finally completed in the plains districts of the State by 1973-74. It is intended to cover the cultivated area of all districts except those of the Kumaon and Uttrakhand divisions, portions of Mirzapur, South of Kumaon range, and the districts of Jhansi division. The total area in which the scheme is to be implemented is estimated to be approximately 300 lakh acres[8].

Technique of Consolidation

The administrative agency

For the execution of a work of such magnitude an administrative set-up consisting of trained personnel was needed. In Uttar Pradesh a staff consisting of 25,000 persons was working on the consolidation scheme at the beginning of the Third Five Year Plan[9], and the same number still continues to operate.

The present administrative structure consists of one Consolidation Commissioner at the state level assisted by two Joint Directors; 4-5 districts are in charge of a Deputy Director assisted by Settlement Officers, one for each district. Each Settlement Officer supervises 4-5 consolidation circles. A consolidation circle is headed by a Consolidation Officer (C.O.) and usually comprises an area of one lakh plots, each circle is sub-divided into five sub-circles each under an Assistant Consolidation Officer (A.C.O.). For purposes of consolidation the tehsils have been divided into two categories, those with the average size of plots 0.5 acres or above, and those where the average size is under 0.5 acres. Each A.C.O. circle in tehsils falling into the first category has approximately 7,200 acres of cultivated area and 15,000 plots for consolidation, while in tehsils in the second category the cultivated area assigned to each A.C.O. circle is 5,000 acres with the number of plots to be consolidated not exceeding 20,000. An A.C.O. circle has two consolidators and nine *lekhpals*. Apart from this there is rectangulation staff, the details of which will be mentioned later. The Administrative structure is set out in Appendix "A".

---

*2.5 *acres* = 1 *hectare*, Ed.

[8]Source: *Land Reforms Division*, Planning Commission, Government of India.

[9]I. D. N. Sahi, *op. cit.*

Stages of Consolidation

Though there are differences in detail, the procedure of consolidation, in essentials, is the same in the various states of the country. When a village is selected for consolidation, certain preliminary steps such as the formation of advisory committees and the correction of records are undertaken. This is followed by re-measurement of holdings, wherever necessary. The next stage is the valuation of each field in the village after which the principles on which redistribution of land is to take place are formulated. This is followed by delivery of possession of the new holdings to the cultivators and the preparation of new records. Thus the principal stages of consolidation are:

i. preliminary steps, e.g. formation of village advisory committess, appointment of guardians of minors, etc., and correction of records;
ii. rectangulation and measurement;
iii. classification and valuation;
iv. scheme of consolidation;
v. reallocation;
vi. preparation of final papers and their final attestation[10].

In Uttar Pradesh the work of consolidation proceeds on these lines. The Department of Consolidation has laid down the stages to be followed, with percentages set representing the extent of work completed. The first stage begins with the initiation of consolidation operations. The village map is corrected by *lekhpals*. The record of rights (*Khatauni*) is checked and verified. A list of errors and disputes is prepared by the consolidators. The A.C.O. verifies and rechecks *Khatauni*, and determines standard plots. The list of such plots is published. With the completion of these steps 10 per cent of the work is reckoned as finished. Also at this stage, the village consolidation committees are formed. Guardians of minors are appointed, and next, the exchange ratio of each plot is determined. The values of trees and wells are determined. The basic revenue records, list of errors, exchange ratio map and the statement of principles are published. The second stage sees another 12 per cent of the work completed.

Regarding the determination of exchange ratio of the plots, the methods of valuation differ from state to state. Uttar Pradesh has adopted the method of anna valuation[11]. It was found that valuation based on soil-classification did not work satisfactorily. The method of anna valuation has been found to work well. This method is easily understood by the peasantry. Moreover, the number of disputes regarding valuation of plots has gone down remarkably since this method was introduced – the reason being the consensus of the

[10] *Consolidation of Holdings* (Methods and Problems), p. 10, Planning Commission, Government of India.

[11] Anna valuation is an indigenous rough and ready scale for measuring the value of land. Before the decimal system of currency came into operation an Indian rupee consisted of sixteen annas. In common parlance of the villagers a sixteen anna land means the best land for agricultural purposes. In this way anna values for all kinds of land can be fixed on the sixteen point scale. One important point about this kind of measurement is that it gets an easy acceptance from the cultivators. This is so mainly because traditionally also the land used to be determined on this basis.

village people is easier to obtain while determining the value of plots in terms of annas.

At stage Three the A.C.O. receives and disposes of objections relating to rights in land. An attempt is also made by him to partition joint holdings through conciliation. The Consolidation Officer disposes of the cases which are referred to him by the A.C.O. under Section 9-A(2) of the Act. This stage covers 16 per cent of the work.

The Settlement Officer (Consolidation) at stage Four disposes of appeals made to him under Section 9-B(3) of the U.P.C.H. Act which marks completion of another 7 per cent of the work.

At stage Five, the A.C.O. takes up the preparation of the provisional consolidation scheme and, at the same time, demarcates plots on the spot. The scheme of consolidation is published. With this a further 25 per cent of the work is over.

At stage Six, objections and appeals against the provisional consolidation scheme are disposed of by the Consolidation Officer and the S.O.C. The consolidation scheme is confirmed. The date is fixed for exchange of possession under Section 24 after final demarcation of the plots on the spot. This completes another 12 per cent of the work.

At the Seventh stage, the final records are written after the disposal of revisions under section 48 of the U.P.C.H. Act. With this 15 per cent more of the work is completed.

The records are bound and consigned to the Collector's record room which completes the remaining 3 per cent of the work.

In the tehsils with the larger average-sized plots 26 months is laid down for the completion of all stages in the programme; in tehsils with the smaller plots the period set is 30 months as a greater quantum of work is involved.

In 1960 it was decided to introduce a rectangulation[12] scheme as an effective aid to carving out accurate rectangular plots, in the areas under consolidation operations. It required training the staff and this was given immediate attention. Further particulars about recruitment and training are provided in Appendix B. During the year 1961-62, twelve Rectangulation Officer units were engaged on this work. Up to 31st March, 1964, approximately 59 lakh acres were rectangulated at the cost of Rs. 1.05 per acre. Rectangulation is now being done simultaneously along with consolidation. Part of the cost incurred by the State government is recoverable from the cultivators. A ceiling of Rs. 12.80 per acre has been fixed as a charge towards the cost to be recovered from the farmers.

Consolidation and Village Planning

Consolidation in Uttar Pradesh is linked with village planning. Every cultivator must agree to contribute a small percentage of his total holdings for community needs such as schools, inter-village roads, *abadi* and *Panchayat Ghar*. A nominal compensation is also paid to him for the land given up.

[12]Rectangulation involves redrawing boundaries of the plots consolidated in rectangular blocks. An individual cultivator could be allotted more than one such block equalling the value of the land which he owned during the preconsolidation period. Rectangulation not only gives proper shape to the farm but also helps in the optimum use of water and other agricultural inputs.

Formerly no compensation was paid for such acquisitions but on the basis of a decision of Allahabad High Court which maintained that the Constitution did not permit any land to be compulsorily acquired for any purpose unless compensation was paid for it[13], provision was made for the payment of nominal compensation. In states like Maharashtra and Madhya Pradesh the work is confined only to re-grouping of fragmented holdings to form compact plots. The farmers in these states are not required to contribute land for community purposes.

Consolidation of Holdings – Evaluated

Some Problems and Issues

The programme followed in Uttar Pradesh and outlined in the preceding paragraphs clearly shows that consolidation is a technical and somewhat complex process. The difficulties arise from its technical nature and from the human problems involved at every stage of its operation.

The two basic points, which are really the two wheels on which the entire cart of consolidation moves, are land-rights and land-values. The first thing in consolidation is to determine land-rights. This is done on the basis of the record of rights maintained by the Revenue Department of the State. The record of rights is not only voluminous, but on occasions it is also found to be out of date. A lot of time and energy is therefore spent in correcting the record and getting it up to date. The amount of work this involves can be appreciated from the fact that during the first two years in something like 75 out of 300 tehsils, i.e. roughly one-fourth of the area under consolidation, fifteen million mistakes were detected in the record of rights[14]. If these errors go unchecked difficulties arise when possession is transferred. Moreover, the process of detecting these mistakes has to be quick otherwise a spate of litigation follows in the wake. There are other kinds of mistakes, for instance maps are inaccurate; the area attributed to a plot of land out of a given individual's holding may be wrongly shown in an old settlement record. All these matters have to be settled before land is consolidated – a time-consuming process, requiring patience as well as perseverance on the part of the staff concerned.

After settling land right problems, one comes up against the second big factor determining the value of the land. In evaluating land one has to be meticulous and accurate. The main problem here is how to assure the cultivator about the uniformity of the valuations made. A reference has already been made to the success of anna-valuation method in Uttar Pradesh. The disputes regarding valuation went down by 80 to 90 per cent after this method was adopted. In the ultimate analysis the effectiveness of any method of valuing rural holding lies in how far peasants understand and accept it.

Litigation was a major problem in the early stages of consolidation in the State. Sometimes cases went up to the Supreme Court. Identical issues

[13] *Ch. Mukhtar Singh* v. *State of U.P.*, A.L.J. 879.
[14] I. D. N. Sahi, *op. cit.*

were raised from many districts where consolidation was going on. The situation regarding litigation is now much improved. The closer involvement of people in the consolidation process has yielded results. In many villages this has been accomplished without a single case going to the courts. Moreover the consolidation authorities are also functioning as courts of revenue jurisdiction subject to higher appeal. No other courts are allowed jurisdiction over land litigation while the consolidation process is under way. This provision has saved the villager from the trouble of going to district courts whenever he feels aggrieved. The A.C.O. and C.O. now decide land dispute – mostly on the spot.

Corruption has also been a major problem in the consolidation exercise. The possibilities are there for abuse or for dishonest motivation on the part of the staff and of the cultivator alike. Both are likely to be interested in wrongful gains given the opportunity. Factions in the villages are commonplace and this can stimulate corruption. Mr. I. D. N. Sahi, who was Commissioner of Consolidation in Uttar Pradesh up to 1964, stated that 6,000 employers out of a total of 25,000 were dismissed on charges of corruption while he held office[15]. Thorough and intensive inspection, investigation of complaints on the spot before the entire village assembly and removal of the people who are at fault are some of the steps suggested for combating this problem.

Public consciousness of the value of the programme of consolidation is a major factor in the success of the scheme. "The programme of consolidation of holdings can be greatly expedited if public opinion is prepared for it and steps are taken to obtain the fullest participation of people"[16]. The most effective way of achieving successful particiation is to put it within the purview of the open assembly of the village. The presence of everybody is needed where land is being commuted and combined. It has been found that village people eventually come to terms with each other in an open assembly though sometimes they may get involved in wordy frays. The peasantry has manifested its awareness of the need and benefits of consolidation, with the result that consolidation operations are now going on much more smoothly than before.

The work of consolidation for any area must be finished within the stipulated time. Apart from the fact that delays lead to all kinds of abuse, cultivation suffers while the process of consolidation is on. From the moment when notification is given that a particular area is under consolidation, cultivators understandably enough, cease to take much more than minimal interest in their land. Uncertainty about the future ownership of holdings deters farmers from carrying out improvements on their land. If the process is prolonged agricultural production suffers further. The only answer is to get the work done as quickly as possible.

---

[15] I. D. N. Sahi, *op. cit.* The nature and extent of corruption varied from case to case but was mostly of a minor nature and confined to officials at the lower levels. Pressure for allotment of plots at a more favourable site was one of the major sources of corruption.

[16] *Memorandum on Consolidation of Holdings* (*Suggestions and Recommendations*), Planning Commission, Government of India.

In Uttar Pradesh an attempt has been made to consolidate individual cultivators' holdings in one plot. In a few instances two plots have been allocated, but three plots have been given only in very exceptional cases. About 95 per cent of the consolidated land is being reallocated in single plots. While the problem of consolidating fragmented holdings has now been tackled, the problem of preventing future fragmentation has not been fully solved, nor has the closely-allied problem of sub-division of holdings. The major difficulty again is the law of inheritance. The amended law now provides that in the case of the partition of a joint holding if its aggregate area is less than six and a quarter acres, the court shall sell the holding and distribute the proceeds. If the partition created holdings of more than six and a quarter acres, the court may dismiss the suit or divide the land "in accordance with such principles as may be prescribed"[17].

Although the provisions designed to prevent excessive sub-division are strong, they are weakened by the fact that there is nothing to stop the co-occupiers from sub-dividing the holding informally and cultivating it in the same way they would have if partition had been granted.

Following this brief account of some of the main problems of consolidation, our concluding remarks will be related to the impact of consolidation in initiating a process of better land-management.

Impact of Consolidation of Holdings

Walter C. Neale, who made a comprehensive study of land tenure and reform in Uttar Pradesh, says: "the common view appears to be that compulsory consolidation is a popular measure among all parties"[18]. Professor Baljit Singh, who conducted research on the impact of land reforms on group dynamics and class relations in Uttar Pradesh in 1960, argued that consolidation of holdings benefited the cultivators with larger holdings[19]. Grigory Kotovosky, in his book "Agrarian Reforms in India", held a similar view. He remarked: "Those who gained from the consolidation were the upper stratum of the peasantry, for whom the elimination of strip-farming facilitated the shift to capitalist farming"[20]. In 1970 the Programme Evaluation Organization of the Planning Commission carried out a study of the programme in five states including Uttar Pradesh[21]. After examining the mechanics of consolidation operations, the report goes on to evaluate its effects on agriculture. Some of the findings relate to the changes that have taken place in the cultivated areas, irrigation, cropping pattern and production techniques before and after consolidation. For purposes of this inquiry

---

[17] The *U.P. Zamindari Abolition and Land Reforms Act of* 1951, Sections 176 and 169-71.

[18] Walter C. Neale, *Economic Change in Rural India – Land Tenure and Reforms in Uttar Pradesh*, 1800-1955, p. 265. Yale University Press, 1962.

[19] Baljit Singh, *Next Step in Village India*, Asia Publishing House, 1961, p. 60.

[20] Grigory Kotovosky, *Agrarian Reforms in India*, People's Publishing House, 1964. (See also Appendix C).

[21] Planning Commission, *Evaluation of Consolidation of Holding Programme. Case Studies of Maharashtra, Punjab, Haryana and Uttar Pradesh.* Programme Evaluation Organisation, Government of India, March, 1970 (Mimeo).

villages belonging to four districts of Uttar Pradesh representing major agricultural regions of the State were selected.

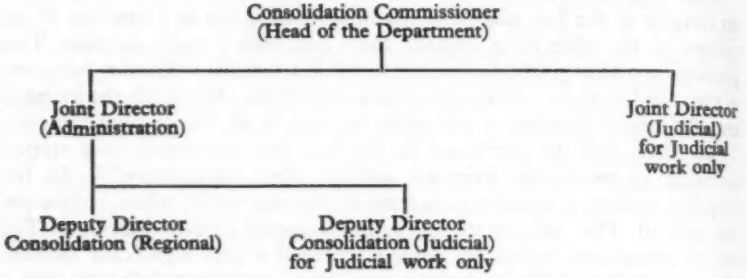
Regarding acreages under cultivation after consolidation the report noted an increase in the five villages of Mathura district, but in a majority of the villages in the other three districts there had been a slight decrease. This phenomenon most probably was due to the fact that the cultivators lost some of their land as it was allotted for common purposes. As regards the irrigated area the report recorded a consistent increase in all the districts sampled. "This trend may be attributed to the fact that cultivators have started investing in permanent irrigation sources after consolidation"[22]. In the cropping pattern a significant increase in the area under wheat cultivation was noticed. This was mainly due to the increased irrigation facilities. The use of agricultural inputs by farmers recorded a very significant increase after consolidation. Consolidation according to the report definitely gave a boost to better land management techniques.

To sum up, the usefulness of the consolidation scheme has been realised by the farmers. As pointed out earlier consolidation of holdings is not meant to solve the problems of social and economic inequalities. In fact fragmentation is only part of the problem of the uneconomic use of land. Another important aspect is the small size of holdings; in Uttar Pradesh most of these are too small to achieve full efficiency. But the policy of consolidation is a step in the right direction inasmuch as a process of better land management has been set in motion. It is, however, essential that where consolidation operations are completed credit agencies, including the nationalised banks, should take immediate steps to provide financial aid to the farmers. The government extension agencies should step up their technical and other kind of assistance in these areas. It is only then that the cultivators will be in a position to take full advantage of consolidation of holdings. If such measures are not forthcoming on a sufficiently large scale then, particularly in economically backward regions, consolidation alone will not produce the desired results of rural development.

[22] *Ibid.*, p. 20.

APPENDIX "A"

Administrative Set-up of Consolidation of Holdings Department in Uttar Pradesh



These officers are responsible for overall supervision of the districts falling in their region. They will have to carry out periodical field and office inspections in the districts. Each officer has 4-5 districts in his charge. There are at present 39 districts distributed in nine regions. They also undertake judicial work.

Collectors of consolidation districts work as *ex-officio* district deputy directors of consolidation and have the same powers under the C.H. Act as the Deputy Directors, Consolidation.

Consolidation Officers

Each Consolidation Officer circle comprises five A.C.O. circles, and has a maximum of one lakh plots. In tehsils of category I (where the average size of plots is 0.5 acres or above) the C.O. Circle has approximately 36,000 acres of cultivated land. In tehsils of category II (where the average size of plots is below 0.5 acre) the cultivated area is approximately 25,000 acres.

Assistant Consolidation Officers

Each A.C.O. circle in tehsils of category I has approximately 7,200 acres of cultivated land while in tehsils of category II the cultivated area is 5,000 acres only. The number of plots in a circle, in both cases, does not exceed 20,000 acres.

Consolidator
An A.C.O. circle has two Consolidators

Consolidator Lekhpals
There are 10 Lekhpals in one A.C.O. circle

Expenditure:
The average expenditure for one C.O. circle comes to about Rs. 100,000 in a year.

APPENDIX "B"

A Note on Recruitment and Staff Training

The Department of Consolidation obtains its senior staff by way of secondment from other departments of the State Government – principally from the revenue department. The director/commissioner of consolidation is selected from amongst the senior ranking civil servants belonging to the ICS or IAS. There is a joint-director belonging to the IAS cadre. There are 38 deputy directors mostly drawn from the

state civil services. There are 42 settlement officers (consolidation). They are posted at the district level and they also belong to the state civil service.

The staff working in the field consists of the following categories:

1. Consolidation Officers.

They are 226 in number. They are recruited from amongst revenue department officials. Some of these are also on secondment.

2. Assistant Consolidation Officers.

Their number is 950. The pattern of recruitment is similar to that of the consolidation officers. Each assistant consolidation officer has two consolidators working under him. There are about 10,000 lekhpals (record keepers) engaged on consolidation work.

In order to train the field staff a training school known as the Consolidation Training Centre has been established. This centre runs the following courses:

— a one year course for *lekhpals* (record keepers).
Every year three hundred such functionaries are trained.
— an eight months course for consolidators.
— a four and a half months course for assistant consolidation officers.

APPENDIX "C"

A Note on Consolidation and the Green Revolution

Recent studies on the green revolution have confirmed the view that the larger more prosperous farmers gain most from current agricultural developments. During the past five years there has been a big spurt in food production all over India. The greatest beneficiary of the so-called green revolution has been the wheat belt in Northern India. Farmers with compact blocks of agricultural land have benefited most from the use of improved practices known as the "new strategy". With price support given by the state and agricultural income being non-taxable, people belonging to urban upper and upper middle classes often industrialists, civil servants, politicians and retired officers from the Services have taken to farming. It is no uncommon sight to see large farms being operated by this class of people in the periphery of almost all large towns in India. In the villages the big farmers have not only come to acquire wealth and status but wield considerable political power, which was very effectively demonstrated recently when the Agricultural Price Commission recommended a reduction in the procurement price of wheat. This recommendation was not accepted by the Government of India, largely as a result of the vehement opposition it aroused in influential political circles. It is on account of this newly rising Kulak class that land reforms have become currently a burning topic in India. All the states are bringing into force new ceiling laws on land holdings (roughly 18 standard acres per family in irrigated areas).

These issues, though very vital, are not directly linked with consolidation. Land reform measures pertaining to the ceiling on holdings and redistribution of agricultural holdings to landless peasants are separate policy issues. Moreover the department of consolidation of the State of Uttar Pradesh is working upon a number of schemes to help the small farmers whose plots have been consolidated. For example, it is trying to allot plots to them in such a manner that farming on a co-operative basis can be encouraged. The nationalised banks are coming forward with a new credit policy to help this class of cultivators.

(Also see *The Indian Express* dated April 18, 1972, and *Hindustan Times* dated April 24, 1972.)

GLOSSARY

1. Bigha – Measurement of Land Area. Standard revenue Bigha is five-eighths of an acre.
2. Lambardar – Village headman or person responsible for turning over revenue collections to the government.
3. Chak – A consolidated block of land.
4. Lekhpal – New name for Patwari or Village record keeper.
5. Khatauni – Revenue record of rights.
6. Abadi – Residential area.
7. Tehsil – A revenue sub-division of a district.
8. Panchayat Ghar – Meeting place for the village council.

Abbreviations

A.C.O. = Assistant Consolidation Officer.
C.O. = Consolidation Officer.
S.O.C. = Settlement Officer (Consolidation)
R.O. = Rectangulation Officer.
C.H.Act = Uttar Pradesh Consolidation of Holding Act, 1954.

Public Enterprises in Developing Countries

Some Suggestions on Creation, Organisation and Control

By GARTH GLENTWORTH

Mr. Glentworth has been on the staff of the Makerere Institute of Socia lResearch and the Uganda Institute of Public Administration.

I. Introduction*

In the continuing debate over which "strategies of development" are most suited to the needs of developing countries, one of the most central issues is the form and extent of national government controls over the economy. One of the most important and certainly one of the most controversial sectors of the economy in which this question arises, is that of public enterprises. The issue is usually presented in terms of the balance between government control and autonomy that public enterprises[1] require to make their maximum contribution to national development. Public enterprises – the argument runs – are set up by the State either to replace, supplement, stimulate or participate with private enterprise[2]. If they are to do any of these things effectively, then they must be made to combine the efficiency and effectiveness of the best private enterprises in their business activities, with responsiveness to Government controls, directives and goals in the policies they follow.

This paper is devoted to a discussion of some of the factors in the creation, organisation and control of public enterprises in developing countries, that will help this ideal combination to be realised. The discussion is based on study of Ugandan public enterprises and particularly in the later more detailed sections, on legal controls over Ugandan public corporations. However, no great effort has been made to tie the materials closely to Uganda[3].

II. The Assessment of the Facts of Enterprise Existence

This seems to be the most basic issue that has to be faced up to, before forms of actual control over public enterprise can be determined. Policy

*The original more extended version of this paper was given to the 1971 "East African Universities Social Sciences Council Conference", Makerere University, Kampala; December 14th-17th, 1971.

[1]Public enterprises defined very generally, as enterprises in which Government either directly or indirectly owns a share of the resources employed and has a say in the direction of the enterprises' activities.

[2]"Measures for Improving the Performance of Public Enterprises in Developing Countries", *Volume I Report of a Working Group;* UN, HQ, 1969 ST/TAO/M/49; p. 3.

[3]Two case studies against which the material in this paper could be judged, are in Garth Glentworth and Muloni Wozei, "The Role of Public Corporations in National Development in Uganda: Case Studies of the Uganda Development Corporation and Uganda Electricity Board" Dag Hammarsjold Foundation/WPCA Conference, September, 1971.

makers often fail to face up to two separate issues – the issue of the means of control and the issue of the financial, economic and political facts that condition the enterprise's existence. The latter are crucial to the success of any apparatus of control over public enterprises and must be considered as a first priority.

A number of motives involved in the creation of public enterprises in developing countries are of crucial importance.

(1) There is an increasingly important political dimension in the formation of public enterprises. A public enterprise can be represented favourably to the whole range of opinion on the pattern of economic development that the country should follow. Socialistic and broadly leftist thinkers see public enterprises as major building blocks in the drive to bring the resources of the country under public control. More cautious conservative thinkers see public enterprises as guarantees that activities are carried on in accordance with sound "business and commercial" practices, as the nearest approximation to the private sector that the Government can create.

Another political dimension stems from the fact that public enterprises are visible and highly ostentatious evidence of the government's efforts to develop the economy of the country. Public enterprises erect impressive facades, and though there may not be much behind the facade in real terms, the political impact is considerable.

(2) Alongside the very genuine real economic motives for creating public enterprises, there is also a strong element of what might be called economic aspirations, or more cynically, economic wishful thinking. This seems to arise out of the tendency to think that the creation of the enterprise is tantamount to the achievement of the goals for which it was created. There is a feeling that creation of a public enterprise is automatically a "good thing", that it really cannot go wrong and will inevitably be of service to the development of the country and the welfare of the people. This is accompanied by an increasing tendency to forget or ignore the conditioning factors, which determine whether a public enterprise is going to be a debit or credit factor in national development.

(3) There is also a social dimension to the motives for creating public enterprises in developing countries. By this is meant a desire to create opportunities for the citizenry, to gain experience and reasonably secure places in the economy of the country. The very fact that they exist and provide employment opportunities in industrial and secondary agricultural sectors, is sufficient to give them a social utility of their own and to provide an extra impetus for their creation.

These increasingly important factors have helped to produce a number of very important results.

Some public enterprises have very dubious terms of reference. Their objectives are vague and unrealistically defined and bear little relation to the facts of the environment in which the enterprise has to operate or to the needs of national development. This vagueness and lack of realism often

owes its incorporation in the enterprise, to the need to gloss over the social and political rather than real economic reasons for creating it.

Much worse and more immediately damaging in the Ugandan situation and indeed in developing countries generally, is the fact that the same terms of reference inevitably involve a waste of resources in their performance. In the circumstances found in most developing countries, it is simply impossible for many public enterprises to do what they are asked to do, without making losses. There is nothing intrinsically wrong with this, as long as it is faced up to and explicitly recognised in the governing principles of the enterprise. Unfortunately, this has not been done in Uganda, where statutes of public corporations almost invariably contain "break even taking one year with another" type financial formulas.

There are several reactions to this situation, elements of which are traceable in the organisational development of nearly all public enterprises in Uganda. The most ingenuous accept the disparity between resources and goals (or perhaps more accurately are apparently unaware of such a disparity). The organisation proceeds as if all its objectives were feasible and runs the risks of bankruptcy, corruption and the breakdown of effective management. More typically, when an organisation does become aware of the incompatibility of what it is trying to do with what it has got to do it with, there are three possible results. At the two extremes the organisation can either devote its energies to a massive camouflage job to hide its difficulties, or it can stop dead in its tracks and embark on a frantic programme of retrenchment. Neither of these results is particularly conducive to real economic development.

The third and most typical reaction to the disparity between goals and resources involves the defensive falling back in, for example, organisational investment policies, on the overall need for financial viability that is dictated by the statute of the corporation. Social welfare goals, service to the community and long-term infrastructural development are given low priority. Organisational self-maintenance, identified with the publication of a healthy balance sheet is placed at a premium, even though the needs of the total population have to be neglected to achieve this.

Given the pressures on the management of most public enterprises, this can be seen as the most realistic reaction to their circumstances. They are still, by and large, judged on their ability to produce healthy balance sheets. Public opinion does not respond to arguments that the enterprise's immediate losses are the price the country has to pay for the services it provides in overall development.

The sort of reactive policies that have just been described for public enterprises in developing countries, lead us back to the basic need to recognise that public enterprises respond to the facts of their existence and to the imperatives built into their creation. A more pressing priority than new or improved legislation, in increasing the efficiency of government control over public enterprises, is an enquiry into the facts surrounding the existence of each public enterprise. Such an enquiry should also be an essential prelude

to the creation of wide-ranging commissions of enquiry into inefficiency and corruption in the administration and staffing of existing public enterprises. Many of the opportunities for corruption, nepotism and the like are provided by the impossible situations in which the executives of many public enterprises find themselves, in that they cannot match assignments to assigned resources.

Such an enquiry should concentrate on answering the following questions:

(1) What exactly are the enterprises' goals in real terms?
(2) What specifically do the enterprises' goals imply in terms of finance, manpower and time perspectives?
(3) How do the costs of all kinds relate to the returns of all kinds (in so far as possible) in quantitative terms?
(4) Is it necessary that the activity proposed be performed by a new public enterprise?

Once this exercise is completed, even if only in rough estimate form and once decisions reached have been implemented in terms of such rationalisation, amalgamation and winding up of public enterprises as may be needed, then Uganda and other developing countries can go on to improve other methods of control.

III. The Machinery for Control – The Need for Co-ordination and Direction in the Administrative Machinery of Government

This section follows up the rather fundamentalist demand for a full-scale continuous review of the facts of public enterprises' existence, with demands for reforms in the Government administrative machinery in Uganda and in other developing countries. Improvements in the creation, control and direction of public enterprises cannot be separated from improved organisation of the public sector as a whole.

The major reform that needs to be introduced is the creation of an effective centralised system of control and direction for the public sector taken as a unit, Ministries and public enterprises alike. The key reform that has to be sought is in the style of operations of the administrative framework. It is in the way that the proposed system is intended to work, that will realise the advantages of centralised direction and blunt the accusation that such a centralised system will destroy the very advantages – autonomy and approximation to commercial business practices – for which public enterprises are created. Institutional inter-relationships are less important in the proposed reform than new operational procedures. The key to this effort to marry centralised direction to the advantages of decentralised decision-making in public enterprises, lies in the word "guidelines", or even more accurately in the phrase "mandatory guidelines". It is the framework and reference points within which to decide on organisational development policies, that are sought from the apparatus of centralised co-ordination and control. The concept of the rate of return or rates of return (discussed later in Chapter IV) as the guideline in the choice of projects by public enterprise, is the key to what is meant.

In diagrammatic form, one possible administrative framework that might provide the desired reforms looks like this:

President

Cabinet – Planning Commission — **Ministry of Govt. Audit & Inspection**

President's Office

Central Admin. Sec. **Central Planning Sec.** — **Auditor-General, Govt. Inspectorate**

Central Finance Sec.

Functional Ministries

Public Enterprises Resp. to Various Functional Ministries

A number of features in the diagram need specific explanation and comment.

(1) On the basic assumption that Government planning and policy making are irrevocably identified, the Cabinet is the planning commission and there are no intermediaries between the drafters of the plan in an expanded President's Office and the locus of political – executive power, the President in his Cabinet.

This identification will be made immeasurably easier if the Cabinet is of a manageable size, of say around 12 to 15 members. It is argued that the advantages in co-ordination and Government-wide involvement, of the whole Cabinet sitting as a planning commission, outweigh the relative inefficiency of the larger number. The greater expertise and flexibility that a core of key Ministers (for example, Finance, Agriculture, Commerce and Industry) would possess as the planning commission, are outweighed by the difficulties of deciding who are the key Ministers in development and in persuading other Ministries, who do not get chosen as the elect, to be guided by the dictates of their favoured counterparts.

(2) For centralised planning to be successful the three crucial Government activities of administration, planning and finance have to be centralised; these are headed by the Central Administrative Secretary, the Central Planning Secretary, and the Central Financial Secretary, deal directly with the President in an expanded President's Office, and replace separate Ministries covering these activities.

(3) The essential feature to make this system work will be the preparation by the President's Office, with the three secretariats working together, of a comprehensive development plan containing mandatory guidelines. This plan will contain targets for different areas of development and a comprehensive set of procedures for implementation.

(4) A critical function of the Government apparatus that is often ignored or under-valued when "development" of all kinds is at a premium, is that of checking to see whether policies are being implemented successfully, resources deployed in the chosen way and institutions performing the duties

for which they were created. This is why in the reformed administrative pattern proposed, the Auditor-General's Department and the newly-created and closely-linked Government Inspectorate are given such a prominent and independent role to perform the checking and reforming functions.

The Auditor-General's Department and the Government Inspectorat e will form a separate Ministry of Government Audit and Inspection, with their Minister as a member of the Cabinet. They will have compulsory access to all sections and levels of government, including all public enterprises. The public enterprise division of the Auditor-General's Department will look at the accounts of each enterprise and report on them to ministries, the expanded President's Office, Cabinet and if necessary the President himself. The public enterprise division of the government inspectorate will study the managerial performance and organisational efficiency of each enterprise, again with the mandatory rights of access and interview. Policies followed, staff effectiveness and organisational suitability for the goals postulated, will be studied and reported upon.

IV. The Legal Control of Public Corporations

Against the background of the requirements set out in the second and third chapters of this article, we can now go on to discuss what should go into the individual statutes of public corporations, to help to ensure their effective control and regulation by Government. The coverage and effectiveness of legal regulations are generally as much ignored by social scientists, as they are over-estimated by bureaucrats. In this paper an attempt has been made to steer between these two extremes, by setting the results to be expected from legal regulation and control in perspective, alongside other forms of control.

Public corporations only are discussed because public enterprises[4] are too large and diverse a collection of institutions to be covered by one piece of comprehensive legislation, or by one common set of amendments to individual statutes.

The most basic decision in deciding what can and should be legislated for, is whether to legislate in detail or in broad essentials. The thinking behind this paper is that the duties of various institutions and organs, the procedures for their inter-action and their spheres of responsibility and control, should be spelled out in detail in legislation.

There are two main areas in which structural *and* procedural inter-relationships should be legally prescribed – in the relationships between Government and the public corporation and between the various organs of the public corporation. Both are essential to a successful apparatus of legal controls and both need the prescription of *structural* interrelationships – how the various institutions and organs relate to one another and *procedural*

[4]For a set of definitions of the various categories of public enterprises, including public corporations, see "Some Problems in the Organization and Administration of Public Enterprises in the Industrial Field", UN, HQ, 1954; p. 9 *et seq.*

interrelationships – how the various institutions conduct their relations with one another[5].

There now follows what is in part a check list and in part a discussion of the various elements, which should be legislated for in each corporate statute. The hoped-for result is a general requirements analysis. The difficult task of marrying these requirements to the contents of existing corporate statutes has not been attempted.

The creation of public corporations

(1) There should be a stipulation in each corporate statute, requiring the government to prepare, publish and if applicable, debate in parliament, a feasibility report on the creation of each corporation.

This report should answer the following questions:

(a) What interests, institutions (ministries, etc.) want the corporation and for what reasons.

(b) What are the goals of the corporation
– What policies is it to follow and what objectives to pursue in general terms;
– What fields of activity is it to operate in;
– What criteria, if possible in quantitative terms, is it to employ in its policy decisions (especially whether it is to make profits or not and to what extent).

(c) What resources is it to have at its disposal – financial, physical and manpower.

(d) What is the background to the corporation's existence,
– How does it fit in with government's development policy;
– How does it fit in with existing corporations, ministries and the private sector.

(e) What is the timetable and detailed plan for creation.

(f) Specific answers to the following,
– The initial capital and capital structure;
– The responsible minister;
– The name of the proposed chairman and managing director;
– The date at which it is proposed to start business, if the corporation becomes a reality.

The intention of this section is to force the government to face up to the realities of corporate existence and prevent the creation of an unviable or unnecessary unit.

Definition of objectives of public corporations

(2) Each corporate statute should contain a detailed statement of the corporation's objectives.

Following on from the requirements in the feasibility report, it is particularly important that the statement of objectives should contain a clear

[5]The question of how to bring this amendment into force for example by amending each individual statute, or by a comprehensive amending act or decree, is being ignored for the purposes of this paper.

indication as to whether and to what extent the corporation is expected to make a profit.

In Uganda, e.g. it is necessary to get away from the vagueness of the usual break-even formula, "revenue to equal outgoings taking one year with another". Ideally, it would be possible to specify a rate of return for investment decisions and the continuing operations of the corporation. This is not the same as laying down the level of commercial profitability, which is too volatile and externally determined a phenomenon in most developing countries, to be the criterion for deciding upon long term investment decisions, and which may rule out completely, social welfare and infrastructural considerations[6]. Even more ideally, a rate of return will be calculated for different types of investment within the one corporation and in different corporations. The problems of practicable calculation are enormous, but the benefits of such an exercise are such, that it must sooner or later be attempted in countries like Uganda.

A recent UN seminar on "*Measures for Improving the Performance of Public Enterprises in Developing Countries*"[7] has underlined the need to fall back on profitability levels (defined as the rate of return) on investments.

"The recent shift of sentiment in favour of profit as a performance criterion of public enterprise (is) the result of growing anxieties concerning capital shortages, deficit financing and inflationary pressures. There is also concern about the ability of public enterprises to finance their own expansion and to generate earnings, which may be utilised in other branches of the economy . . . While the trend of current practice seems to be towards a greater emphasis on profitability, the task of reconciling the goal of profitability with the wider goals of public policy permits no evasion. A possible method of effecting such a reconciliation is for a superior authority, to agree with the management of the enterprise on a target of profit, which takes fully into account the social obligations undertaken by the enterprise, in accordance with policy directions."[8]

(3) So important is the rate of return that while a specific percentage should not be mentioned in the statute there is a need for a statutory clause requiring a rate to be fixed by government and communicated as a directive to the corporation.

(4) The corporate statute should also lay down the procedures to be followed in fixing capital structure, responsible minister, numbers on the

---

[6]These are really the personal opinions of the author. It is balance sheet or commercial profitability that is being criticised, as a guide to investment decisions. "Profitability" can of course be defined to mean what is called here the rate of return and can include allowances for social welfare and infrastructural considerations – national profitability in other words. Most authors use the term profitability in relation to public enterprises, without making clear the exact meaning they have in mind. Where possible this paper uses the term rate of return. Where quotations are given which talk of profitability, it can be assumed that it is the wider sense of national profitability that is meant.

[7]"Measures for Improving the Performance of Public Enterprises in Developing Countries – Volume I Report of a Working Group." New York: United Nations Public Administration Division, ST/TAO/M/49.

[8]*Ibid.*, Paragraphs 50, 52.

board of directors and the like. The procedures for modification in any of these matters should also be specified.

(5) There must be an absolute prohibition on investment in a corporation by ministries or any other state institution, unless the investment has been allowed for in the overall national budget. This should be supplemented by another provision in the case of additions to initial investment, which should not go through unless the item in the government budget from which they are to be drawn, is specifically mentioned.

Procedures for changing public corporations

Specific legalised procedures for approval and review of changes, are the logical follow-up to the stress in this paper on the need to continuously review the terms of reference, successes and failures of each public corporation.

(6) The following are the changes that should in law require the approval of the government through the responsible minister before they come into effect – any change in the objectives of the corporation, changes in the capital structure of the corporation, changes in the method of appointment of the directors and chief officials of the corporation and any attempt to liquidate, amalgamate or fundamentally reorganise the corporation's existence. Before giving its approval the responsible ministry should be charged with the study of consulting with the Ministry of Government Audit and Inspection.

The responsible ministry is quite adequate as the agency of government charged with passing judgment on these changes in conjunction with the Ministry of Government Audit and Inspection. Very generally, the Auditor-General's Department will pass retrospective judgment on changes in the corporation's existence and the government inspectorate will assess the success/failure/completion of objectives/need for modifications in the corporation.

Key relationships between the principal organs of the public corporation

The basic relationship that controls the internal organisation of public corporations is that between the board of directors of the corporation and the chief executive. The way in which they divide the functions of policy making and day-to-day running of corporate activities is the key.

Ugandan public corporations almost without exception follow the pattern of a managing director who is at the same time chairman of the board and general manager. One individual has operational control of policy-making through controlling the board's agenda and operational control of the day-to-day running of the corporation's activities. Though there is certainly no absolutely best pattern, there does seem to be a considerable amount of merit in this model in developing countries such as Uganda.

The key position of the chairman and managing director allows the appointment of one highly-skilled and experienced executive on a full-time basis. He can manage the day-to-day running of the corporation and shape

policy issues for the final decision of the board of directors. There is a danger of concentrating too much power in the hands of one man, but in the circumstances this is perhaps less of a risk than neglect and delay in decision-making, through the inadequate time and energy available from part-time members of the board of directors.

The Ugandan pattern does allow maximum benefit to come from those few qualified executives in developing countries who can successfully manage large public enterprises. It also gets away from what seems in practice to be a strained distinction – between day-to-day management and the comprehensive range of policy-making. In practice, it seems that the former inevitably involves the latter, especially if the policy-making board of directors meets once a month or even less frequently. Day-to-day management and decision making have to be linked together very closely, if the best principles of systems, analysis and feedback in decision-making are to be observed, and the chairman and managing director/general manager is the link that can ensure this close relationship.

The chairman and managing director in this pattern can efficiently guide the board of directors in their work schedule. Getting the board together is difficult enough, without having them waste their time in searching for the key issues to which they should devote themselves. It is essential for the efficient utilisation of their time, that the chairman who decides on the agenda should be very knowledgeable about the important issues that should be dealt with. Again, there is a danger of turning the board into a rubber stamp for the chairman's wishes, but again on balance this is a risk that should be faced to avoid vague, irrelevant, or just wrong decisions about corporate policy. It should be emphasised that there is no question of making the board a *de jure* advisory organ to the chairman and managing director. The intention is to make the board an adjudicating agency on the propositions that are put to them, through the chairman and at the same time to allow them to suggest and instruct the chairman on policy initiatives that they wish to be taken. The chairman cannot act without the approval or authorisation of his board.

A powerful chairman and managing director is much better able to establish an effective two-way relationship with his responsible minister. Despite the dangers of individual empire building, it is much better to have one man who can put the corporation's case comprehensively and knowledgeably to the minister, than to have to wait until the board arrives at a decision on every significant issue the minister brings up.

Legal requirements for the corporation's board of directors

The most important legal requirements are that the duties of the board of directors should be spelled out in detail and the relationship between the board of directors and the chairman and managing director be specified.

(7) The statutes should clearly state that it is the duty of the board of directors to direct the affairs and policies of the corporation and, through the agency of the chairman and managing director, to manage the day-to-

day affairs of the body. This agency provision for the chairman and managing director will also be defined in law.

(8) The detailed schedule of duties of the board of directors should then be spelled out.

– to determine the general policy of the corporation in all its aspects, paying particular attention to preparation of long-term working plans and budgets and short-term annual working plans and budgets,

– to oversee and check on the implementation of the policies that it adopts,

– to check on the activities of the chairman and managing director in implementing these policies and if necessary to exercise their mandatory right of requiring information from him on progress,

– to appoint the senior staff of the corporation, other than the chairman and managing director – the secretary, accountant, heads of departments, and where there is one, the deputy general manager,

– to initiate an application to Government through the responsible minister, for approval for new investment policies and enterprise creation,

– to prepare the annual balance sheet, profit and loss account and appropriation account of the corporation.

This schedule of duties comes down heavily on the side of the exhaustive approach to legislation. Where there are shortages of skilled director calibre manpower, where many of the corporations have dubious terms of reference and where ministers may themselves be inexperienced, there is a vital need to lay down the responsibilities and duties of all concerned. In this specific connection, it is impossible to under-estimate the importance of the preparation of annual and long-term working programmes and budgets.

(9) The board of directors of the corporation should be legally required to pass on, through the responsible minister, the annual and long-term working plans and budgets and the annual report and accounts of the corporation to Government. The time schedule for transmittal should be legally specified, so that they arrive in the hands of the central government machinery in time to be included in the preparation of mandatory guidelines.

(10) The board of directors should be specifically forbidden in law from delegating any of the duties prescribed for it.

(11) There should also, however, be provision in law for the appointment of agents by the board of directors for clearly specified tasks and within clearly defined guidelines.

Sub-para. 10 *supra* is there to prevent the board signing away any of its legally-defined responsibilities and to force it to face up to its position within the corporation, while sub-para. 11 is necessary from the point of view of operational efficiency.

(12) The limits on the number of directors that make up the board should be specified by statute. There should also be a stipulation of the number that must be present, to make a quorum for the board of directors to operate.

Between three and eleven directors would seem to provide suitable limits. A smaller number is obviously impossible for any kind of even informal majority voting, while a larger number runs the risk of degenerating into cliques for substantive decision-making.

(13) The board of directors should be legally forbidden to delegate any of its responsibilities to sub-committees of itself. There should be no standing sub-committees of the board, but opportunity for the creation of *ad hoc* sub-committees when an issue warrants this.

Experience in Uganda has shown that the use of standing sub-committees raises difficulties. With small boards of directors with a maximum of eleven members, sub-committees can throw an intolerable burden in terms of time and attendance, on directors who are already heavily over-committed. There is the lack of expertise of many directors, which casts doubt on the effectiveness of their contributions in specialised sub-committees. A useful scheme is to make sub-committees "optional extras", appointed when an issue is time-consuming but not important enough to take up the attention of the full board.

Statutory requirements governing a corporation director

(14) On appointment each member of the board of directors should be specifically charged by law with serving the best interests of the corporation, not those of the government or the responsible ministry which appointed him. This may seem like a truism, but when the government is the sole shareholder and so predominant, then conflicts of interest may need this specific guidance to resolve them in favour of the corporation.

(15) The method of appointment of directors should be clearly set out in law.

(16) The duration of each appointment as director should be specified. Three years with a rotating retirement of one-third of the directors each year is suggested as a suitable period of office, allowing the director to make an impact without building up vested interests. Conditions for reappointment as director should also be specified.

(17) The corporation should be specifically charged with paying the salary/allowances of its directors, to increase the identification of the director with the corporation. At the same time the government through the responsible minister, should have the legal capacity to control scales and conditions of remuneration and to review the absolute amount paid.

(18) The statute must lay down the procedures to be followed in cases of resignation or dismissal of directors. For dismissal the responsible minister should be required to publish his reasons for dismissal and obtain the approval in writing of two-thirds of the board's directors to his decision. When the board itself feels that there are grounds for dismissal, it should have the right by two-thirds majority, to initiate contacts with the responsible minister to press for the removal of the offending director. The minister would retain his veto over whether to proceed with dismissal or not.

The detailed provisions of sub-paras. 14 to 18 above are designed to protect and spell out the position of the director as a member of his corporation's board. The purpose of going into so much detail is to try to balance the need to allow the director to resist all kinds of external pressures, and in particular political pressures from government, with the need to prevent the board becoming a self-perpetuating oligarchy.

(19) A basic provision that should be made clear in law is that directors are appointed for their individual qualifications and not as representatives of interests bearing on the corporation.

This is a particularly important stipulation when it comes to the consideration of categories of occupations which should be eligible for appointment as directors and in particular to the rules governing the appointment of civil servants and politicians as directors.

(20) It should be laid down that not more than a quarter of the directors can be appointed from serving civil servants and not more than a quarter from politicians who are currently members of Parliament – subject to the specific exclusion of civil servants in the responsible ministry and members of parliament who are ministers in that ministry. Some such formula might ensure that the advantages of civil servant and politician membership are realised, without the risk of prostituting the corporation to their interests.

The law governing the chairman and managing director of a corporation

(21) As chairman of the board of directors, the chairman and managing director will be responsible for calling meetings of the board and setting the agenda to be discussed. These duties will be carried out either on his own initiative, or in accordance with the statutory requirements, or in response to the specific requests of a fellow director.

(22) The statute should include a minimum specification for the number of board meetings that must be held each year. It should also include procedures for the calling of special board meetings either at the request of the chairman and managing director or of a certain number of directors. Those are important limitations on the powers of the chairman and managing director and the other chief executives of the corporation.

(23) The chairman and managing director as general manager should be made responsible for the day-to-day management of the corporation, within the scope of the working programme approved by the board of directors and subject of course to board directives.

(24) He should be responsible for the hiring and firing of staff, except for those senior posts which are appointed by the board.

(25) As general manager, he should be compulsorily required to report to the board on all matters which board members feel are important.

(26) He will be appointed directly by government through the responsible minister.

(27) The duration of the appointment will be three years, with an option of reappointment.

Three years may be an acceptable compromise, between the need to retain credibility and effectiveness, capacities which are conditioned by acceptability to the regime in power, and the need to be protected against political pressures in order to be an effective corporate leader. Legal procedures for reappointment, resignation and dismissal of the chairman and managing director, also reflect the attempt to combine protection for efficiency with responsiveness.

(28) Reappointment should be the prerogative of the responsible minister provided two-thirds of the directors are in support. The resignation of the chairman and managing director should be sent in writing to the responsible minister, communicated to the board and take effect three months from the time received by the responsible minister; the responsible minister should be able to dismiss the chairman and managing director, only with the support of two-thirds of the incumbent directors; and by a two-thirds majority decision the board should be able to make written representations to the responsible minister requesting the dismissal of the chairman and managing director. In all cases of dismissal, the responsible minister should be compelled to publish his reasons for getting rid of the incumbent.

The relations between the responsible Government Minister and the public corporation

There is one specific power that the responsible minister should have that does need to be spelled out – his power of mandatory direction over corporations.

(29) The responsible minister should be empowered to issue binding directives to the board of directors on all matters of corporate policy. These directives should be in writing.

The problem will of course be to prevent the responsible minister abusing this directive power. If the minister's written directive can be made public at a later date, he will be less eager to misuse this power. There do have to be stronger sanctions however.

(30) The responsible minister should be compelled to reimburse* the corporation for any loss which can be proved to have been caused by his directives. The assessment of any loss should be by mutual agreement between the board of directors and the minister, with if necessary an appeal to the cabinet.

This is an important sanction not only against the misuse of directive powers, but also for the creation of the system of mandatory guidelines which was envisaged in Chapter III. There has to be agreement, in as quantitative terms as possible, on the extent to which the corporation is to make financial losses or profits. When agreement has been reached and the corporation has organised itself to abide by this guideline, government must agree to compensate the corporation for any investments it compels the

*Presumably through public funds – Ed.

corporation to make outside this guideline. If it does not agree to compensation, then it must face the alternative possibility of an increasing number of bankrupt corporations on its hands.

RELATIONS BETWEEN THE MINISTRY OF GOVERNMENT AUDIT AND INSPECTION AND THE PUBLIC CORPORATION

(31) The government inspectorate should be required to maintain an overall check on the progress of the corporation, the achievement of its goals, the use of its resources, the efficiency of its management and the like. This continuous review can take place in the form of monthly reports and examinations or intensive annual inspections[9].

(32) The government inspectorate should also be required to make recommendations for the improvement and change of all aspects and if necessary abolition of the corporation's activities. These recommendations must be communicated to all levels of the government.

(33) The auditor general's department should be required to examine and audit the annual accounts of the corporation. The audited annual accounts should be laid before the government not less than six months after the end of the financial year reported upon.

(34) The auditor general's department should also be required to report on the financial management of the corporation and make recommendations for improvement.

(35) Both the government inspectorate and the auditor general's department should report on the corporation's and the government's success in implementing their recommendations.

(36) The reports of the government inspectorate and the auditor general's department should where possible be published and debated along with the corporation's annual report and accounts in the parliamentary assembly.

V. Summary

The conclusions reached are as follows:

1. The first priority should be a full-scale review of the facts of each enterprise's existence. The review should concentrate on relating the goals of the enterprise, to the environment in which it will have to operate, the resources it will have at its disposal and the timetable it will be set to achieve its aims.

2. The implementation of the conclusions of the review, and the review itself, will not be successful unless there are reforms in the government's administrative machine. The key requirements are the creation of an effective central planning body to provide mandatory guidelines, and a separate ministerial agency for control through inspection and reform.

---

[9]The idea of some form of "administrative audit" is not a new one. See for example Zahid Shariff, "Public Corporations – Some Problems and Suggested Remedies"; Pakistan Administrative Staff College Journal, Vol. 8, December, 1970, pp. 83-84. Most of the problems and remedies discussed in this paper, are exhaustively dealt with in the considerable literature on public enterprises in India and Pakistan.

3. The laws governing public corporations are currently inadequate and are undervalued as a tool in achieving the right balance between control and autonomy. They can be used to spell out structures and procedures (in far more detail than has hitherto been the case, at least in Ugandan corporate statutes), as the basis for creating systematic working procedures for each organ of the corporation and for the government in its relationships with the corporation. Compulsory performance (in so far as this type of law can be enforced), is seen as partial compensation for deficiencies in manpower and as a further effort to ensure the right balance between autonomy and control for maximum effectiveness in national development.

The key areas of legal stipulation required are:

- the definition of the corporation's objectives and particularly of the criterion for a profit or loss making investment policy;
- the duties of the board of directors and the chairman and managing director and especially their inter-relationship;
- the relations between the responsible minister and the corporation, with special emphasis on the restraints on the use of ministerial directive powers.

Administrative Developments in Ghana- some effects of post-independence broadening of international contacts

By CHRIS STEVENS*

Mr. Stevens is a Junior Fellow at the Institute of Commonwealth Studies and at the Centre for International Studies of the London School of Economics.

INDEPENDENCE introduced the former colonies of Africa to a world in which they were free, as never before, to pick whatever friends they wished and to establish contact with whichever country they desired. This new power to choose influenced them profoundly, not least in their administrative systems, both because it required them to develop structures capable of dealing with their newly-acquired external affairs, and because it brought them into contact with different ways of doing things and provided an opportunity to replace colonial administrative forms with mechanisms adapted from other cultures.

This article seeks to examine, by reference to Ghana and the Soviet bloc, the extent to which a policy of "new lamps for old" was adopted and its degree of success. The selection of countries has the merit that, on the one hand, Soviet institutions are sufficiently distinctive and novel in Africa for it to be fairly clear when "borrowing" has occurred, while, on the other hand, Ghana openly claimed, between 1960 and 1966, to be adopting certain features of Soviet administration.

The Colonial System

Until after the Second World War the primary goal of British colonial administrations in Africa was the preservation of law and order. Attempts at economic development had been dealt a severe blow by the depression of the 1930s and the rule that each colony must balance its budget. The post-war period witnessed greater interest in the promotion of economic and social advance and there was talk of "state socialism". However, state socialism in the colonies frequently meant little more than the administration's right to preserve and protect the colonial people from developments which it considered undesirable, and to promote industry and commerce which seemed acceptable[1]. There was little incentive for colonial administrations which had established a good working relationship with expatriate companies to extend the sphere of public ownership, and the failure of the Overseas Food Corporation did little to encourage experimentation. The result tended to be a return to Amery's pre-war policy of providing public utilities in order to

*The research on this article was basically financed from the Leverhulme Trust.

[1]Lee, J. M. *Colonial Development and Good Government* (London, 1967), p. 73.

create a framework within which private capital could operate freely. W. Arthur Lewis likened this to the building of trading estates in Britain and declared in 1949 that it had been his painful official duty to read nearly every one of the Ten Year Plans submitted to the Colonial Office and that they had left him with the clear impression that "most colonial administrations have not yet begun even to recognise the nature of their most important economic problems, let alone to make provision for dealing with them"[2].

A favourite instrument of colonial governments was the Public Corporation, and in 1947 the Gold Coast Corporation was set up to establish industries based on agricultural products and to assist other enterprises wishing to expand. Like their British counterparts these public corporations were designed to facilitate Government involvement in economic and social life, but in conformity with the "trading estate outlook" they were orientated towards the creation of a framework for development. These framework-providing activities were organised on the basis of government plans such as the "Ten Year Plan for the Economic and Social Development of the Gold Coast" launched in 1951. The plan was a Public Expenditure Programme or "shopping list" by which each government department prepared a list of projects it would like to see implemented; these were then compared with the available resources and were pruned accordingly. Thus no account could be taken of the inter-relationships within the economy.

Shortly after the publication of this Plan the Convention People's Party won the Legislative Council elections and Nkrumah was appointed Leader of Government Business. The Government soon decided that the Plan was not sufficiently ambitious and that the goals in it could be reached in five years. In 1959, after independence, a second Five Year Plan was launched; like its predecessor it was compiled on a "shopping list" principle. However, as E. N. Omaboe, then Government Statistician, noted, "It is only fair to point out that both in the case of the first and second plans, even if the planners had wanted to use better planning methods they would not have been able to carry the exercise far in view of the poor state of the country's statistical data."[3]

Post-Independence Administrative Changes

Less than two years after its implementation, this second plan was abandoned without any official explanation. A National Planning Commission was formed under the chairmanship of the President to prepare a new plan. It consisted of twenty-nine experts all but two of whom were Ghanaians; most were civil servants but they did not represent their departments, being chosen as experts in selected fields of economic activity. The NPC was serviced by the Office of the Planning Commission, a government department

[2]Lewis, W. Arthur. *Colonial Development*, Manchester Statistical Society, 1949. Quoted *ibid.* p. 112.

[3]Omaboe, E. N. "The Process of Planning" in *A Study of Contemporary Ghana, Vol. 1 The Economy of Ghana*, Ed. W. Birmingham, I. Neustadt and E. N. Omaboe (London, 1967), p. 446.

directly under the President; the head of the office was the chief economic officer, J. H. Mensah, who also acted as executive secretary to the NPC.

The new Plan was clearly a departure from its "shopping list" predecessors and although it would not have won acceptance among Eastern European planners, its adoption may well owe much to their example. The old Plan was shelved shortly after President Nkrumah, accompanied by several high ranking colleagues including Tawia Adamafio, had visited the USSR and Eastern Europe. While there, they would undoubtedly have been introduced to the planning techniques used by their hosts and seen the rapid progress achieved by countries some of which had been underdeveloped only a generation before. E. N. Omaboe, who as Acting-Chairman presided over the day-to-day meetings of the Planning Commission, "hazards a guess" that the Ghanaian delegation "came to the conclusion that their plan was no plan at all"[4]. In support of his guess he points out that shortly before Nkrumah's visit the USSR itself had launched a new Seven Year Plan; when Ghana replaced its Five Year Plan, it, too, adopted a seven year planning period. Soon after his return from the East, Nkrumah purged the Government's ranks of many of the Old Guard because "it is undesirable that men with varied business connections should be members of a Government which must, from now, be increasingly animated by socialist ideals". Then in July 1962 the C.P.P. adopted a policy document entitled "A Programme of Work and Happiness". This had been prepared largely under the direction of Adamafio who may or may not have been a Marxist but was certainly an admirer of the centrally planned economies. The programme argues that owing to the absence of facilities for capital formation, development can only be achieved by the institution of socialism. It continues "There is no half way to socialism. The total industrialisation of the country, the complete diversification and mechanisation of agriculture, and a national economic planning based on public ownership of the means of production and distribution must be the order of the day"[5]. It laid out the C.P.P.'s socialist objectives and gave the planners a clear indication of policy with regard to the economic and social development of the country.

The 1961 tour seems to have inspired other changes in Ghana's administration: in 1961 the Government terminated trade agreements with Czechoslovakia and the Sovier Union which had been based, in the case of Czechoslovakia, on the principles of the General Agreement on Tariff and Trade (GATT) and, in the case of the Soviet Union, on the reciprocal granting of "most-favoured nation treatment in respect of all matters related to trade between the two countries". These agreements were replaced by a series of bilateral trade agreements signed with the countries of Eastern Europe. In contrast to the earlier agreements under which payment for all goods supplied was to be in convertible currency or Ghanaian pounds, the new agreements provided for a balanced exchange of products with no cash payment involved[6]. These were, of course, not the first bilateral agreements signed by Ghana;

---

[4] *Ibid*, p. 451.
[5] Programme of the Convention Peoples Party for Work and Happiness, para. 33.
[6] *Ghana Economic Survey* 1961, para. 336.

in 1958 similar facilities had been agreed with Israel and the U.A.R.; moreover, proposals had been received but not accepted for a bilateral arrangement with Czechoslovakia, East Germany and Poland. However, the 1961 Agreements did mark a definite conversion of the Ghana Government to the idea of bilateralism as practised among the centrally planned economies in order to overcome its growing foreign exchange shortage. Import restrictions were introduced to alleviate the shortage but, as the 1961 economic survey pointed out, "The problem is not to reduce external trade but rather to encourage a greater exchange of commodities in order to promote economic development"[7]. The survey continued, "Bilateral trade agreements have therefore been signed with this object partly in view".

Under the bilateral agreements both contracting parties decided at the beginning of each year on the quantities and value of goods to be exchanged[8]. For a country like Ghana, heavily reliant on the unstable cocoa market to provide the wherewithal for purchasing imports, this arrangement had the additional advantage of permitting a certain amount of forward planning. So advantageous were bilateral agreements thought to be that import licences were issued to cover these arrangements not only so as to cut down on overall imports but also to "alter the country's pattern of trade, more specifically, in favour of those countries with which Ghana has trade and payments agreements"[9]. In this it was successful as the percentage of Ghana's total trade conducted with the centrally planned economies rose from 5.0 in 1961 to 23.8 in 1965.

In order to supervise the growing economic ties with the Soviet bloc a Committee for Economic Co-operation with Eastern Countries was established in June 1961. It consisted of seven ministers and was headed by the Minister of Industry; it was serviced by a secretariat of four high-level civil servants. Since there were only eleven ministers in the Cabinet at that time it obviously carried a great deal of weight.

The decision in favour of bilateralism had an effect not only on foreign trade but also on the mechanics of internal distribution. The 1961 economic survey noted that "In order to make full use of these agreements the Government has established a national trading corporation which began its operations in October, 1961"[10]. The Ghana National Trading Corporation (GNTC) was brought into existence by the purchase of the Commonwealth Trust Fund and A. G. Leventis Co. Ltd., the whole transaction being facilitated by a massive bank overdraft underwritten by the government. By 1965 it had 210 branches throughout the country. Besides its function of distributing the fruits of bilateralism it held a monopoly on the import of milk, rice, sugar, flour and cement.

Initial problems of combining two different organisations into one unit together with repayment of interest on the sum of £1,800,000 which was the

[7] *Ibid*, para. 335.
[8] *Ghana Economic Survey* 1962, para. 317.
[9] *Ghana Economic Survey* 1964, para. 108.
[10] *Ghana Economic Survey* 1961, para. 337.

Leventis purchase price caused a loss of £66,000 during the first year of operation. Since then, with the exception of 1967 when the cedi was devalued, the corporation has returned a profit out of which it had by 1970 paid NC* Four and a half million to the Government[11].

It also succeeded in a rapid Africanisation of its staff. Neither the Commonwealth Trust nor A. G. Leventis had practised Africanisation, and in 1961 GNTC employed 86 expatriate managers; by 1965 there were only 37 expatriates as against 44 Ghanaian managers and 51 assistant managers. Five years later the number of expatriates had declined to nine.

The GNTC was one of many state corporations formed during this period and by March 1965 there were 47 of them. The choice of this institution is interesting: the state corporations utilised the form of the public corporation but sought to invest it with a socialist orientation and, in particular, to enable the government to play a more positive role in economic affairs than was formerly the case with colonial public corporations. This is particularly clear in the case of the State Farms Corporation. The Ghana Economic Survey noted that "The year 1962 saw radical changes in the governmental machinery for the administration of the country's agricultural industry. The Ministry of Agriculture and the various divisions within it were completely re-organised and a new structure was introduced . . . These changes had one main objective, namely, to supplement agricultural production in the private sector with production from the State agricultural establishments"[12]. This followed a decision taken by the cabinet on August 27th, 1962, that the Ministry of Agriculture should organise and establish state farms in various parts of the country[13] and in January, 1963, the state farms corporation was incorporated. Although the direct contribution of the Soviet Union was small – only four of the 105 farms established by 1963 were financed directly out of Russian aid – the decision to adopt this form of agriculture was clearly influenced by the example of the two countries which agreed to make direct contributions: Israel and the USSR.

State Corporations were also set up in non-economic spheres, the Ghana Academy of Sciences being a case in point. Both the terminology used in the Academy of Sciences and its organisational structure, which attempted to direct research into problems of immediate consequence, bear a close resemblance to the Soviet Union's framework of research institutions[14]. The effect of all these changes was that the government tried to assume a more active role in the nation's life. Instead of merely regulating trade, it participated; instead of just providing agricultural services and advice, it accepted the additional burden of producing agricultural goods, and it tried to stimulate research outside the universities into the technical problems of development.

---

* 2.88 *New Codi* = £1.00 – Ed.

[11] *Ghana National Trading Corporation First Report and Review* 1965 *and G.N.T.C. Report and Review* 1970.

[12] *Ghana Economic Survey* 1962, para. 53.

[13] *Ghana National Assembly Debates*, 13th June, 1962, col. 750.

[14] Compare "Address by Osagyefo Dr. Kwame Nkrumah at the Academy of Sciences Dinner on Saturday, 30th November, 1963" in *Proceedings of the Ghana Academy of Sciences*, January, 1965, with "Some ideas on the organisation of Science Research in Developing Countries", by Professor A. Riad Tourky in *op cit* November, 1966.

In short, it tried to move away from the role of government envisaged by colonial administrators towards the total involvement experienced in the USSR.

The New Structures in Action

The Seven Year Development Plan presents a striking illustration of "borrowing" from the Soviet Union but it also demonstrates the limitations on a developing country's freedom of manoeuvre. The Plan claimed to provide "the blueprint for the future progress and development of Ghana as a nation. It is a programme of social and economic development based on the use of science and technology to revolutionise our agriculture and industry"[15]. However, as J. H. Mensah noted a couple of pages further on, "Much work remains to be done in working out detailed programmes of implementation and in planning individual projects". The Plan, while ranging widely over the whole economy and surveying past performance and future needs, was not at all specific on how its prescriptions were to be put into practice. It had little in common with planning in the Soviet Union.

The whole projection was based, ultimately, on an estimate of the rate of growth that could be achieved during the period in question. In the USSR the growth rate is estimated from a wealth of detailed statistics covering virtually every branch of Soviet productivity, consumption, aggregate social product, etc., etc.[16] In contrast to this, the Abrahams Commission of Enquiry into Trade Malpractices in Ghana reported "We regret to say that trade statistics and data available for research and planning in the country are either non-existent or unsuitably combined. From the moment when goods enter this country to the time when they are offered to consumers, the Government knows very little about what happens"[17].

The use of techniques for administration developed in the high industrialised, highly organised society of the USSR by a country like Ghana produced other problems. Bilateral trade was organised on the basis that imbalances were permitted up to a certain point without requiring remedial action. In the case of the agreement with the USSR this "swing credit" was £G 4 million. Since settlement of any deficit within this £G4 million limit was to be in Ghanaian currency it was clearly in Ghana's interests to run a trade deficit with the Soviet Union since this would aid development without depleting her precious foreign exchange reserves. However, in the first few years of trading with the USSR, exactly the opposite occurred: Ghana accumulated a trade surplus and was, therefore, in the anomalous position of extending credit to the Soviet Union. This was partly because Soviet products were unfamiliar to Ghanaian importers and consumers and because the Russians were not always efficient. For example, they insisted on using their own labelling system on consignments bound for Ghana although this was quite unfamiliar to Ghanaians; sometimes, too, packages would arrive without any labelling. However, it was due also to Ghanaian inefficiency in

[15] *Seven Year Plan for National Reconstruction and Development* 1963-4-1969/70, Office of the Planning Commission. Foreword.
[16] Sorokin, G. *Planning in the USSR* (Moscow, 1967), p. 276.
[17] *Report of the Commission of Enquiry into Trade Malpractices in Ghana*, para. 47 (Abrahams Committee).

issuing import licences. In 1964 the Economic Survey noted that it had not always been possible "to issue the licences in such a way as to enable business enterprises to have time to organise and plan their activities. This is of special significance as far as trade with the centrally planned economies is concerned because these countries need to be told well in advance what items and in what quantities the country will be importing from them"[18]. This was particularly unfortunate in the case of the USSR because if the notice given was too short they would nevertheless accept the order as if everything was alright; however, the goods would not arrive. Bad planning over the issuance of import licences was serious because the ill-effects rapidly spread to other sectors of the economy: the non-arrival of raw materials caused a decrease in or total cessation of production of aluminium sheets, paints, soap, detergents and beer[19].

Another problem posed by bilateralism was that of pricing. It may be difficult for a developing country to ensure that the price charged for her imports is fair. While all the trade agreements with the centrally planned economies stipulated that prices should as far as possible conform to world market levels this could be difficult to determine when the goods being purchased were not comparable with those on sale on the world market. This problem was particularly marked when the import in question was machinery since it was associated with the problem of quality. The Russians were very anxious for Ghana to import machinery but GNTC were doubtful if it could be sold and one consignment was accepted only on condition that it would be returned if no buyer could be found; none was and it was sent back[20]. Over time Ghana in fact, reduced the proportion of machinery and manufactured goods in its imports from the USSR as the following Table shows:

COMMODITY IMPORTS BY GHANA FROM THE USSR

US £ thousands

S.I.T.C. Classification	1962	1967
0 – Food	338	2303
1 – Beverages and Tobacco	10	—
2 – Crude Materials (inedible)	—	—
3 – Mineral Fuels	19	6435
4 – Animal and Vegetable Oils and Fats	—	—
5 – Chemicals	226	38
6 – Manufactured Goods	2625	429
7 – Machinery and Transport Equipment	1834	195
8 – Miscellaneous Manufactured Items	68	34
Total Categories 0 – 5	593	8776
Total Categories 6 – 8	4527	658

Note: Imports c.i.f.

Source: United Nations Economic Commission for Africa, Foreign Trade Statistics, Series B.

[18] *Ghana Economic Survey* 1964, para. 112.
[19] Abrahams Commission Report, *op. cit.*, para. 103.
[20] Agyeman, J. O. T. Managing Director, GNTC. Interview.

The actual mechanics of trade are that both sides present an annual list of goods available for export. In the Soviet Union there are All-Union Foreign Trade Organisations which specialise in particular types of goods and are responsible for the USSR's imports and exports of such goods. Ghanaian importing firms contact the appropriate foreign trade organisation, e.g. Raznoexport for cement, or Avtoexport for cars, and negotiate price, quantity and delivery date with them. Ghanaian importers soon become quite sophisticated in their dealings with the centrally planned economies and now often seek competitive tenders from several members of the Soviet bloc. While the Government of Ghana has decided not to renew its Payments Agreements with the Eastern European countries when they expire, the one with the Soviet Union will be retained as being in Ghana's national interest.

The GNTC has experienced a number of problems. Initially it seemed to be overstretched and the Abrahams Commission found that it did not have the "logistic talent" to distribute over the whole country the products for which it was sole importer, and that it did not co-operate fully with other firms when distributing goods on which it did not hold a monopoly. It has also experienced the problem common in British public corporations of a clash between political and economic objectives. This has been a problem generally with public corporations in Ghana and the economic survey of 1963 warned that "there is a need to look at all state enterprises with a view to putting them on sound business lines", while E. N. Omaboe noted that "There has developed some disharmony between the political objectives of the government and certain economic considerations". In the case of the GNTC the conflict was not particularly severe and resulted in a victory for economics; typical of the interference experienced is an episode when it was feared that there would be a salt shortage and GNTC was requested to import salt over a 100 per cent tariff although, in the event, no shortage occurred.

In other cases the conflict was more severe; in particular that of the State Farms Corporation. To begin with, expansion was far too rapid for a country where "A study of the country's agricultural industry is seriously handicapped through lack of statistical data"[21]. Starting from a base of 42 farms covering 5,000 acres the corporation had, by 1963, grown to 105 farms and 70,000 acres. Of these only six were financed directly from foreign aid (four by the Russians and two by the Israelis) while the rest were developed by the Ghanaians themselves. This meant that trained personnel were spread too thinly over the ground. The expansion had to be rapid for political reasons which included not only the natural desire to speed up development but also the more immediate task of finding employment for about 10,000 workers made redundant by the reorganisation of the Ministry of Agriculture[22]. The effect of all this was not conducive to a business-like approach and the Abrahams Commission of Enquiry reported wryly that "There is a definite hour to begin work and a definite hour for closing. These hours are, unfortunately, not necessarily related to the demands of farming"[23]. As a result

[21] *Ghana Economic Survey* 1962, para. 55.
[22] *First Bi-Annual Progress Report of the State Farms Corporation* 1962-3.
[23] Abrahams Commission Report, *op. cit.*, para. 63.

the corporation consistently returned a loss even when administrative and general expenses were excluded from consideration: in the 27 months ended 31st December, 1965, for instance, the value of the farms' produce was just under C4 million but it was grown at a cost of C15½ million. After the 1966 *coup* rationalisation occurred and by 1968 the number of farms had been reduced to 60 with the result that losses had been cut dramatically. It now appears that a slight re-expansion is taking place with the recent announcement that the SFC is to establish an NC3 million oil palm farm and mill.

The post-independence blossoming of Ghana's international contacts produced a number of changes in its administrative system. In the case of co-operation with the Soviet Union there were two sorts of change. In the first place the Government tried to expand its trading network and make use of the markets in the centrally planned economies. To do this it took a more active part in the organisation of the country's trade and internal distribution system. In the second place it felt that the adoption of institutions developed in the USSR would enable it to play a more positive role in the nation's life and, in particular, to boost economic development. It is interesting to note how this was done: the administrative form chosen was that of the old colonial public corporation, and only the new spirit with which it was endowed was borrowed from the USSR. The results have been mixed: planning on the Soviet model never got off the ground owing to inadequate statistical services; some state corporations have been failures while others, like GNTC, have been a success; and while bilateral trade has had its ups and downs Ghana still finds it in the national interest to maintain several such links.

The main lesson of this study may be that it indicates how little freedom a country may have to alter its institutions: those it already has will have developed to suit the unique conditions in which they operate and an administrative transplant may occur in theory only and not in practice. Even the public corporation, while nominally borrowed from Britain, bore few similarities to its namesake. Similarly, the state corporations were more Ghanaian than they were Russian. In the words of the Jones-Quartey Commission of Enquiry into the affairs of the Ghana Academy of Sciences "This move took the character of many of the administrative manipulations of the epoch, in the sense that it was unaccompanied by any physical change in structure: it is significant to note that, despite the redesignation, the aims and functions of the Academy remained the same".

Philippine Clues to a Comparative Study of Municipal Reform in Developing Nations

By A. B. VILLANEUVA

Professor Villaneuva is in the Department of Political Science at Western Illinois University, USA.

Introduction

One of the developments that is taking place in the "Third World" – the world of developing nations in South East Asia and Africa – is local government reform. The thrust of this development, as articulated in current literature, is the transformation of local political subdivisions from organs of central administration to units of citizen participation in municipal governance[1]. Whether this objective is within the ability of the local leadership to accomplish is not the concern of this article. Rather, it is the manner in which municipal reform took place and why it came about. What, for an example, were the conditions that produced local reform movements in the developing areas? And what factors determined the success or failure of municipal reform in those countries where attempts were made to strengthen local government?

Obviously, the search for answers to these questions requires the use of any comparative tool now employed by students in the field of comparative government especially the behavioural approach. However, other techniques such as the conceptual approach and the use of models can also be utilised. But none of these tools will be attempted in this article simply because of the suggestive nature of this work: to indicate some experiences in Philippine municipal reform which are relevant for comparative purposes. Selection of the Philippines as the basis of comparison stems largely from the author's familiarity with the Filipino system of local government.

Filipino Municipal Experiences

Despite the piecemeal nature in which the Philippine Congress responded to local demands for autonomy during the fifties, Filipino mayors and councillors are now popularly elected. Along with the granting of this new democratic status went the power to hire and fire municipal employees by local chief executives provided such employees are paid from municipal funds. It is not, however, the elective status of Philippine local executives

[1]Gabriel A. Almond and James S. Coleman, Eds. *The Politics of the Developing Areas*. Princeton University Press, 1960, p. 559. See also David E. Apter, *The Politics of Modernization:* The University of Chicago Press, 1965, pp. 43-45, and Fred Riggs, *Administration in Developing Countries*. Boston: Houghton Mifflin Company, 1964, pp. 365-396.

or their powers of appointment and removal that are pertinent for comparative purposes but the forces at work which set in motion a series of events leading to reform.

Back in 1934, Filipino local authorities were looking to the future with a great deal of hope. For there was a movement at that time aimed at giving local government constitutional protection from national administrative supervision and control[2]. This movement failed, but the proposals that were made to the constitutional convention on behalf of local self-rule were going to be the battle-cry of reformers in the fifties. It was used by mayors of municipalities and chartered cities in their clamour for more local powers, by "good government" groups in their efforts to lobby for the passage of legislative measures favourable to local government, by the Philippine Supreme Court in deciding cases involving central-local relationships, and by foreign consultants in their reports and proposals for greater local autonomy[3]. More can be mentioned, but the point here is that these developments created conditions favourable to greater local autonomy. Do similar conditions exist in other developing areas and, if so, have they produced results similar to those in the Philippines? If not, what variables are responsible for such dissimilarities?

One of the central issues raised in the Philippine reform movement of the fifties dealt with political relationships between local and national political leaders. What good would municipal reform be if, for a number of good reasons, local leaders continue to be under the political control of national political leaders. Consider the case of a local chief executive who aligns himself with the congressman of his district and supports his bid for re-election in order to get a share of the congressman's pork barrel. In so doing, the local chief executive increases his chances for another term in the town hall. Thus, he submits himself without question to the congressman's supervision and control[4]. It would seem, then, that municipal reform aims not only to improve inter-governmental relationships but also to remove the conditions conducive to a master-servant relationship between local and national leaders. Students of Philippine politics feel that the latter point is the key to municipal reform but more research will be needed before one can conclude that it is not a unique Philippine experience.

Whether Filipino municipal reform has succeeded in bringing about the benefits which reformers claimed it was capable of giving has yet to be determined. Critics have reported that some *barrios* (rural villages) had to wait for municipal councillors and community development officers before proceeding to conduct their own elections[5]. Moreover, voting turn-outs in these elections were noted as abysmally low, although some reasonable

[2]"Diario No. 39, Agosto 24, 1934," *Proceedings of the Constitutional Convention*, 1934-35, pp. 6404-6405.

[3]A. B. Villanueva, "Social Forces Responsible For Local Autonomy in the Philippines," *Journal of Southeast Asian History*, 9:147-160 (March 1968).

[4]Jose V. Abueva and Leonardo C. Mariano, "More Powers For Local Officials?" *The Sunday Times Magazine*, March 3, 1957, pp. 6-7.

[5]C. C. Ludwig, *Observations on Various Aspects of Local Government in the Philippines*. Manila: Institute of Public Administration, 1956 (unpublished).

explanations such as inclement weather and conflict with farm activities have been advanced to diminish the weight of this variable[6]. Nevertheless, although such incidents do not appear to be widespread, they suggest that a positive relationship exists between the success of municipal reform and the degree of citizen participation in local affairs. It remains to be seen what would be the dimensions of such relationship by probing deeper into the Philippine experience and then comparing it with similar experiences in the "third world" nations elsewhere.

When Arsenio H. Lacson was Mayor of Manila and Sergio Osmeña, Jr., was Mayor of Cebu City, political power struggles were not uncommon in the city halls of these two cities[7]. Ordinarily, the President of the Philippines does not wish to be involved in such intra-mural fights. Only when such episodes reach crisis proportions will he intervene either by suspending a local mayor or replacing him by a political appointee. Although such presidential decision is a step away from local autonomy, it may be the only alternative to chaos in the city hall. If such is the case, it would be interesting to find the degree of relationships between the political stability of local governments and the viability of municipal reform.

Implications for Comparative Study

It appears from the foregoing discussion that certain aspects of municipal reform in the Philippines could be used as the springboard for the future study of local government in the developing areas of the world. Evidently, this type of research project could raise the level of present scholarship in the field of "foreign" local governments[8]. It could also provide us with more insight into the politics of reform.

Like any intellectual endeavour, the proposed research will not be an easy task; however, the discovery of what makes certain strategies work well in one country while similar strategies dismally fail in another will make the effort academically rewarding. A study of this nature will expand our present knowledge of local government in diverse developing countries, to include those factors that are involved in reforms which are successful and those which are not. It is possible also from such a study to ascertain what local institutional innovations, if ever introduced, will have the greatest political feasibility and optimum cultural adaptability. Finally, the proposed study could yield interesting data that may shed light on the types of leadership roles reformers played in the countries under examination.

---

[6]Buenaventura Villanueva, *A Study of the Competence of Barrio Citizens to Conduct Barrio Government*. Study Series No. 5, Community Development Research Council, University of the Philippines, 1959, pp. 89-90.

[7]A. B. Villanueva, "Mayoral Games in the Philippines," *International Review of History and Political Science*, 8:75-89, May, 1971.

[8]Harold F. Alderfer, *Local Governments in Developing Countries*. New York: McGraw-Hill Book Company, 1964, and Roy H. Owsley and Associates, *Philippine City Charters*. Manila: Institute of Public Administration, 1956. For a general listing of materials on comparative local governments, see Robert Morlan, "Foreign Local Government: A Bibliography," *American Political Science Review*, 59:120-136 (March 1965).

Quarterly Notes

UNITED NATIONS – *Administrative Reform*

Decentralization and field administration

One of the major areas of substantive concerns in administrative reform had been decentralisation and field administration. In spite of that, there was a widespread feeling that comparatively more attention had been given in the past to the central apparatus of government than to the administrative requirements of local communities and field administration.

Decentralisation connoted the transfer of authority on a geographical basis, whether by deconcentration (i.e. delegation) of authority to field units of the same department or level of government, or by devolution of authority to local government units or special statutory bodies. In the case of deconcentration, delegated powers continued to be subject to the central authorities for political decisions and supervision. Where there was devolution, determination of policies and supervision of certain functions were transferred to political subdivisions of a country or (in a federal system) State which were constituted by law and had substantial control of local affairs, including powers to impose taxes. The governing bodies of such entities were elected or otherwise locally selected to facilitate popular participation and representation.

Administrative deconcentration should make the processes of decision and execution more effective. It was also a device to distribute administrative actions among the various authorities of a country to avoid administrative congestion in the capitals. Devolution, on the other hand, was essential to enable citizens to participate both in the decisions and in the administration of the development process.

Major administrative reform had to be concerned with the problems of decentralisation and field administration. Decentralisation could be an instrument of national integration, because it enabled citizens to participate in the different political and administrative aspects of national life.

The basic criterion for decentralisation was the accelerated pace of development of the country concerned with maximum feasible popular participation. Accelerated economic, social and cultural growth was usually accompanied by an intensification of political and administrative activity and of the activity of the entire society in dealing with problems of public concern. The administrative burden was therefore heavier, hence, the need for sharing it with local organs of government at different levels by transferring to them responsibility for various categories of administrative work concerning local problems.

Local government in a decentralised situation was one of the best ways of promoting participation in the administration of local affairs. In some countries, priority in reforms might have to be given to field administration

in the interests of national integration; and there also, a case existed for considering administrative decentralisation. In the interest of integration of national development efforts and to meet the changing needs, some countries were usefully resorting to use of regional planning and administration.

The view was generally accepted that in appropriate cases, decentralisation could prove an effective component of administrative reforms and a useful tool for accelerated economic and social development. Decentralisation could improve standards, as well as provide a useful measure of participation.

Source: Report of the UN inter-regional Seminar on major administrative reforms in developing countries, held at Falmer, Brighton, Oct/Nov 1971.

INDIA – *Giant Water Project*

Considered to be the world's biggest water project, covering the entire Indian peninsula, the estimated $4,000 million plus plan would link all the major rivers of India – the Ganges, Brahmaputra, Narmada, Tapi, Godavari, Krishna, Pennar and Cauvery. The Ganges-Cauvery link canal would form the core of the country's national water grid, extending from Assam in the east to Rajasthan in the west and Tamil Nadu in the south.

The plan calls for the lifting of 25 billion cubic metres of water annually from the Ganges 460 metres up into a reservoir. From the reservoir, the water, coursing across the Deccan plateau through a 3,300-kilometre network of aqueducts, gravity canals, tunnels, natural water courses and reservoirs, will flow into the southern and western rivers. Secondary feeder canals will take the water to the needy regions.

The project, which is expected to take 25 years to complete, would also revolutionise inland transportation in India.

In a recently released study, a team of UN experts found the project both technically feasible and vitally necessary for water resources development in India. The study, made at the request of the Government of India, was financed by a $24,000 technical assistance grant given by the UNDP.

Geared to meet the water needs of India in the 1990s and beyond, the ambitious Ganges-Cauvery link canal project would also provide an inland navigation network that would equal the combined length of the Rhine, Danube and Vistula waterways in Europe.

Primarily, agriculture would be the main beneficiary of the national water grid. With 79 per cent of its 580 million people dependent upon agriculture, irrigation is by far the predominant user of water in India.

Source: Pre-Investment News, November 1972

AFRICA – *Public Administration Training*

ECA public administration programme for 1973-1974 with projections to 1976 has been formulated and may be reviewed under five main project headings:

(1) *Development of senior administrators.* This project consists of advisory

assistance to Member States in developing programmes for the improvement of the management capability of senior administrators and other executives.

(2) *Professional training in accountancy, company secretaryship and management.* The project aim is to assist Member States in developing national professional standards and qualifications in the fields of accountancy, secretaryship and procurement, and the formation of appropriate professional associations; establishing a national examinations board in each Member State for the conduct of the necessary professional examinations; establishing, on national basis, institutional facilities and programmes of full professional training based on curricula established by the national examinations boards; and establishing multinational professional examinations boards to regulate the standard of professional examinations in each subregion.

(3) *Management of public enterprises.* In addition to seminars and training workshops, work components include case studies on the organisational and management problems affecting efficiency of public enterprises, project appraisal techniques and review of financial results of public enterprises operations.

(4) *Administration of national development programmes.* The object of this project is to help Member States relate their administrative structures and practices to the requirements of accelerated economic and social development.

(5) *Improvement of postal administration.* Work is concentrated on (a) methods of improving existing surface and air postal services both within each Member State and with other countries; (b) ways and means of establishing better mail routing links between African countries; (c) advisory services on harmonisation of postal tariffs, and the establishment of postal training institutions.

Source: UN Public Administration Newsletter, No. 48

INTERNATIONAL – *Citizen Participation in Regional (sub-national) Development*

Much has been said about the desirability of citizen participation in the planning process. Little has been done about the matter, however, and it is far from clear just how much can be done about it. It has been noted by various planners that the population at large should be actively involved in economic, social, administrative, and political decisions aimed at transforming and democratising society. Some might disagree with such a point of view and base their position on the desirability of allowing elected officials to carry out the responsibilities entrusted to them, at least in those areas involving knowledge and expertise. The issue is rendered moto, however, by repeated failures to develop satisfactory means to bring about effective citizen involvement.

While it is difficult to make specific suggestions in an area where there are now only experiments, the creation of an administration for regional development may well make possible more opportunities for public participation in the development process. The very presence of an administrative agency

at the regional level which can take decisions in development matters should facilitate the reduction of delays in administrative procedures which are largely responsible for both friction and apathy between officials and citizens. Moreover, the regional and sub-regional units can do much to help people understand the local and regional projects forming part of the national development plan, and provide them opportunities to influence the working out of projects at an early stage. Local leadership and private interests may be willing to participate more directly in the preparation and execution of projects if there were representation of various groups, such as labour unions, business associations, farmers' groups, and the academic community on regional councils or boards. Where such councils do not exist, advisory committees might be created which would serve as useful channels of two-way communication between citizens and administration.

On the other hand, it may prove far more effective to involve particular community leaders in special task forces created for programme and project planning, as well as for the monitoring of project execution. Involvement is more easily accomplished when the individuals concerned have specific tasks to perform rather than a general representational function on a board or commission that meets periodically and whose deliberations are dominated by administrative professionals.

Clearly, the area of citizen participation is wide open to experimentation. It must be kept in mind that relatively uninformed members of a community often take negative or obstructionist positions when faced with the prospect of radical change in accustomed patterns of life. When a new idea is accepted, many will expect miracles overnight and quickly lose interest when such changes do not occur.

It is equally clear that many professional planners and administrators resent having to adjust their plans and programmes in response to popular wishes. Condescension is a common attitude toward the public, and it will quickly destroy any initial enthusiasm for co-operation.

Source: Public Administration Newsletter No. 46

NEW ZEALAND – *Local Government*

Study over the years of papers and comments dealing with the necessity for so-called reform in local government reveals that many of these emanate from departmental officers.

Much has been said about local government being unable to assume greater responsibilities at present handled by central government. What responsibilities are these and what effort has been made to hand them over, even to our recognised strong units of local government? Rather, the reverse has been the trend, and we have seen many instances where the freedom of local bodies has been whittled away by having to submit to control by central government officers apart altogether from the government "watchdog" that is accepted by local government – the Auditor-General.

We are all familiar with the present cry for regional control and/or amalgamations and yet it is hard to get these so-called reformers to present a concerted basic plan to replace the present structure. The aims for co-ordination in the provision of common services is well founded but is there the need for further organisations to achieve this? Do we have to tear down the present structure of local government as a means to this end?

Amalgamation could bring many benefits in areas where a community of interest has widened considerably as a result of more modern communication and the breakdown of mental antagonism between men of rural and urban background. Size is not the essential criterion but efficiency is. You can have relatively small local authorities, but they have to be good, strong, and ready to combine with their neighbours, if necessary, in essential area services – and pay for them.

Personally, I would prefer the expression "adjustment of boundaries" to the term amalgamation. The adjustment of boundaries would be consequential on the change of community interests as reviewed from time to time and could be large scale in its conception and application.

No doubt examples can be produced to illustrate efficiency and economies that could be achieved by a single oversize metropolitan authority. Perhaps the same results could be shown in control by a department of state. In the national field maybe similar results could be shown from a totalitarian form of government – but the people of this country prefer a democratic system of government, and are prepared, gladly, to pay for it.

A number of people returning from Europe have talked about the large scale amalgamations taking place there, but when you look at these countries you find a completely different picture of local government existed in these countries before, to that in New Zealand. We must relate overseas experience to the size and population of our own country.

The "in" word at present is environment. Unfortunately, advocates of environmental control – and they are increasing every day – have tended to blame the past on local government – the whipping boy again. Over the years local government conferences have repeatedly made recommendations to Government for protection to be given to the countryside and scenic areas against that symbol of progress, the bulldozer. These recommendations usually obtain scant consideration – often from the same sources that today are extolling control.

Is it not time that a political decision was made in regard to the financial position of local government, and that central government and local government sat down and decided exactly what things shall come into the realm of local government, and having done this the decision must then be made as to how the functions of local government will be financed with the obligation on central government that, having decided on the role of local government, it ensures that the financial needs are met.

Source: New Zealand Local Government, October 1972 – Extracts from a paper by T. M. McKewen, General Secretary, NZ Counties Association.

INTERNATIONAL – *Stockholm Conference on the Environment, June 1971*
Consequences for Local Government

As has been reported earlier IULA was invited to submit statements to the Stockholm meeting. The Conference report on the subject of Planning and Management of Human Settlements referred to local government action and two paragraphs are worth quoting:

"The regional and local authorities should be strong enough to cope comprehensively and systematically with environmental development problems arising in their regions or urban or rural areas; they should not be confined to an opportunity to express their views to the central body and participate in the decision-making and implementation process; they should dispose of sufficient financial and other resources to discharge their functions.

"This implies a degree of decentralisation which has not yet been reached in many countries. More particularly, not only the national but also the regional and local authorities must be given the means of imposing controls and providing incentives through economic and fiscal measures, in keeping with the responsibilities with which they are entrusted."

Source: IULA Newsletter, July/August 1972

INTERNATIONAL – *Human Settlements*

"National and international land policies are required to preserve areas of irreplaceable resources, whether mineral, biological, cultural or aesthetic; and access to nature assured. Policies must carefully allocate land between the competing uses of production, recreation, conservation and settlement. Unco-ordinated development can threaten this balance. Not only conservation of, but improvement of, many areas of the earth's surface is necessary.

"The new urban citizenry must be provided with land and assistance. Before the year 2000 at least 15 hundred million new dwelling units must be provided. Newly devised financial and credit systems need to be established. In many technologically undeveloped countries provision of land and tools for self-help has proved useful. In all types of economic systems there is a need to establish a tie between the individual and his home which will lead to commitment and responsibility for its care.

"Citizen involvement in the solution of ekistical problems is indispensable. This requires educational programmes for people of all ages and all degrees of specialisation."

Source: Declaration of Delos Ten *Ekistics*, October 1972

Book Reviews

Administration in Federal Systems, by RONALD L. WATTS; *Hutchinson Educational*, 1970; £1.00; pp. x; 150.

Administrative and Political Development: Prospects for Nigeria, Edited by MAHMUD TUKUR, *Institute of Administration, Zaria*, 1972; £1.00; pp. 237.

The All-India Services, by R. N. THAKUR; *Bharati Bhawan, Patna*, 1970; Rs. 35.00; pp. 298.

These books are three that nearly got away, as piscatorial raconteurs would have it. Without in the editor's view qualifying as books so germane to the interests of this Journal that they call for a major review, all three are important enough within the general context of development administration – quite apart from their specific area-study merits – to earn more than a passing mention. And this is so in one particular respect for anyone involved (as so much of Africa and Asia either is or hopefully should be) with what one may label the "civilian" face of the back-to-barracks coin.

Ronald Watts' book consists of a series of lectures, originally given at the Institute of Administration in the University of Ife at a time when "thought was turning to ways in which the Nigerian federal system might be restructured after the civil war". In book form, they comprise a brief and basic discussion, deliberately shorn of scholarly apparatus and aiming at the practical rather than any sophisticated interests of senior government officials, of the variants of federalism in action. Thus the topics, seldom more than five pages each, are grouped under the forms of federal systems and executives, the units of state administration, intergovernmental administration and fiscal relations. The volume edited by Mahmud Tukur consists of the papers presented to a conference at the Institute of Administration at Zaria in 1970, along with a condensation of the ensuing discussions on each group of related papers, a summary and a consensus conclusion. Because of the topicality of a conference on administrative policies in a Federation emerging from the throes of a civil war and a possible programme of action for a phased return to civilian rule, the topics were focused on such themes as constitutional and political safeguards, for national unity and relations between the states and the central government on political, economic and financial matters.

But I have not set out to review these books in the conventional sense of the exercise. Why I am urging that these two books deserve reading along with Professor Thakur's is that all three have a direct bearing on a key problem of administration in a federal state. This crucial issue is the matter of the public services. Beyond the contents noted above, Watts contributes an important section on the organisation of the administrative services, paying special attention to the debate between state or dual (joint) public services. Tukur includes over fifty pages of interesting discussion of the future of the Federal

and State civil services in the context of a multi-state structure, with views expressed on whether the central service should be superordinate to the rest or whether a big brother role is perhaps the only superiority that could be tolerated. Thakur's book speaks for itself, being an historical, detailed and informative analysis of how the dual public service structure has worked out in India where I.A.S. officers (like their I.C.S. "covenanted" predecessors) conventionally and constitutionally occupy a number of senior posts in every State service as well as in the central Union government. Nevertheless, they constitute a single service; there is no separate cadre of an All-India Service for the Union.

Thus – and this is the sole impetus of this notice – each of these books discusses an idea which, for better or for worse, needs at least to be discussed in the Indian, Nigerian, Sudanese (after March 1972) and similar federalist or neo-federal situations. That there is something to be said for the concept of joint public services in the federal system on the All-India Service pattern is well illustrated in the Indian experience. That there is perhaps just as much to be said against its implementation in the historically determined African situations is revealed in the Zaria proceedings. In both cases, a persuasive – it may well be compelling – stand is taken on the constraints imposed by the respective heritages of a colonial administrative system which, ten or twenty years after independence, is no longer an alien but a reassuringly familiar phenomenon. Literary arguments at the reviewer's level of abstraction are beside the point here. What is important to those involved or interested in the back to civil rule process in Africa and Asia is, I submit, that those responsible for guidance on the knotty problem of centre-state relations (and nearly everything of importance in the drawing up of the first post-coup civilian constitution in a country like Nigeria comes back to this single issue) should be demonstrably aware that the models of the recent past by no means exhausted all the alternatives. This is something to be borne in mind by students as much as by practitioners, the recognition that other schemes have proved viable – even if simply in other circumstances. It would be unfortunate if, presented with an unparalleled opportunity to rethink, a nation like Nigeria or Sudan or Ghana, returning to civilian rule or at least rethinking its past, did not at least seriously ask itself whether the previous system of administration, and not only its implementation, could be improved. It is thus the inspiration of this review notice that the sections in these three books dealing with the civil service relations between the centre and the constituent parts of a federal system deserve the insurance and courtesy of close attention by anyone associated with development administration and administrative reform in the third world.

A. H. M. KIRK-GREENE

Indirect Rule and the Search for Justice, by H. F. MORRIS and JAMES S. READ; *Clarendon Press, Oxford,* 1972; 369 pp., including biographical notes, select bibliography, tables and index; £5.50.

This is a particularly fascinating book for the lawyer interested in Africa and I think it would not be going too far to call it an outstanding contribution

to our knowledge of colonial legal history in East Africa. Dr. Morris and Mr. Read, both of the Law Department of the School of Oriental and African Studies, have managed to combine in their nine essays the practical knowledge of the political and administrative historian and the breadth of awareness of the scholarly commentator.

Their theme is the search of the Colonial Governments, their administrators, legal advisers and judges for a proper form of government under law in East Africa. They concentrate mainly on the period from the turn of the century to the late 1940s – a period for which government files have now become available under the 30-year rule, and indeed much of their story is told from such records in London and the East African capitals. Occasionally, and it is perhaps unfair to criticise the authors for this, they offer glimpses of the years following the close of their period – glimpses which are fundamentally unsatisfactory in that they condense modern problems of great complexity into a few paragraphs and present them as rapid and natural conclusions of the processes they have already described in detail. My own feeling is that both the accounts of the integration of the court systems and the marriage systems in the years since Independence suffered from treatment in this way, as it was by no means clear that either development was inevitable.

The authors present an intriguing account of direct rule, its constitutional and legal framework, and then offer specific essays on the reception of English and the reception/rejection of Indian law, the native court systems, the place of customary law in the legal system, an essay on marriage laws and two concluding overall surveys. Almost all the essays are developmental in approach and largely self-contained, some having already been published elsewhere. Adopting such an approach inevitably leads to some slight repetition but the irritation of this is easily compensated by the facility with which one can read the separate essays at different times.

For the first time, the outside observer has had unfolded to him the details of the conflict between administrative and legal approaches to indirect rule and particularly to the structures of the law to be enforced and the agencies of enforcement. It is often a story told from comments minuted on files, and inevitably a story filled with individual prejudices and eccentricities – as, indeed, the creation and enforcement of the law have always been. What is especially interesting to the lawyer is that with few exceptions the villains of the piece turn out to be lawyers, and especially judges. It is perhaps not really surprising that this picture should appear as most of the essays dealing directly with the administrative/legal conflict are written by Dr. Morris, himself a former administrative officer. But this apart, the essays tend to confirm my impression that the colonial judiciary's self-image and poor professional skills combined to reduce their effectiveness as a branch of colonial government. They did not see themselves as a branch of government, of course, but took the very English view that they stood outside the Government, a view which helped to isolate them and reduce their importance in the councils of state. They often became mere legal technicians and not very good ones at that.

At the same time, if ethnocentrism was the judges' malady, the authors sometimes portray the administrators' strength in a misleading light. They

very properly recognise the almost unbelievably powerful influence of the administrative officer on the administration of justice at the grass roots level. And it is beyond question that these officers were closer to the African population than any other sector of government or European society and as such were better able to present a different (non-European) point of view to the Government. But it seems unreal to suggest that district commissioners can be seen as aligned with the African population when we are considering vital questions of "justice" and the confidence in a legal system (by those subject to it) that "justice" presupposes. Had there been a happier alignment of the two, there may have been less resort to sub-judicial methods of dispute-settlement and race relations would not have deteriorated as sharply as they did in the anxious years before Independence.

The truth of the matter is, of course, as Mr. Read comes to admit in the last chapter, that the search was often for European justice, sometimes a mere replica of the British model, and sometimes tempered with the realisation that the ideas of different cultures varied significantly and that "justice" was just another cultural idea. Just as the Government's search was itself incomplete, so too this book is remarkably incomplete when compared with its title – for there is little account of the viewpoints of the Africans for whom "justice" was being sought. As Ghai and McAuslan have suggested in their *Public Law and Political Change in Kenya*, a search conducted using these other eyes produces less satisfaction with what is discovered.

ALAN MILNER

International Development 1971 – Development Targets for the 70's: Jobs and Justice, 1971. From the 12th World Conference of the Society for International Development held in Ottawa, May 16-19, 1971; Edited by ANDREW E. RICE; *Oceana Publications, Dobbs Ferry, New York, U.S.A.* pp. 121.

These are the papers and proceedings of the 12th World Conference of the Society for International Development (SID) held in Ottawa in May 1971. The editor was lucky that financial reasons compelled him to make a ruthless selection from the more than fifty papers and major contributions to this conference. He has hit on the simple but effective arrangement of selecting three papers under the heading of "Jobs: Employment and Development" by David Morse (the former Director-General of the ILO and now with the UNDP); "Foreign Assistance and Unemployment" by Ernest Stern (of USAID); and "Employment Policies and Growth Strategy" by József Bognár (Director of a development centre of the Hungarian Academy of Sciences). These papers, and other contributions to the conference, are summarised by Robert Asher (Brookings Institution) and Barend de Vries (International Bank).

The other section entitled "Justice" (perhaps "Equity" or "Income Distribution" might have been a better title) consists of four papers: "Income Distribution: Measurement and Problems" by David Turnham (of OECD); "A New Perspective on Development" by Mahbub ul Haq (formerly the chief Pakistan Planner, now with the International Bank); "Increasing

Income through 'Export Substitution'," by Gustav Ranis (Director of the Economic Growth Centre of Yale University); and "The Alternative to Schooling" by Ivan Illich (Director of the Centre for Intercultural Documentation, Cuernavaca).

These papers, and other contributions in this field, are summarised by Dudley Seers of the Institute of Development Studies, Sussex, and Luis Ratinoff of the Inter-American Development Bank. The whole volume and the whole conference are then summed up by Felipe Pazos of the Inter-American Development Bank, who was the Programme Chairman of this conference. The arrangement is effective and gives the reader a good picture of the trend of thinking which emerged at the conference, the broad areas of agreement on the shades of emphasis and disagreements – not all of them coming to the surface but certainly implicit. The editor must have taken some satisfaction in following the chapter by Ivan Illich, who presents China as a great model to follow, with the chapter by Gustav Ranis who presents Taiwan and Korea as the great models. There are occasional references to points made at the conference not included in the volume which could have been deleted, and minor inaccuracies: e.g. the big conference on the Pearson Report did not take place in Williamstown but in Williamsburg, several hundred miles away.

It would be invidious to pick out individual papers; a separate review could be written about each of them. The longest and most scholarly documented paper is the one by David Turnham which casts some doubt on the generally accepted proposition, seemingly established by Kuznets, that income distribution in developing countries is more unequal than in rich countries. It also seems to establish fairly conclusively that income distribution in developing countries has become more unequal in the last decade, even though Felipe Pazos, in his somewhat over-cautious summary, does not seem to read this into his figures. The most radical paper is the one by Ivan Illich who suggests the replacement of schools by a universal "do-it-yourself" system which he calls "a modern scientific subsistence economy". He writes "the dethroning of the GNP cannot be achieved without simultaneously subverting GNE (Gross National Education – usually conceived as manpower capitalisation). An egalitarian economy cannot exist in a society in which the right to produce is conferred by schools". The dethroning of GNP was a theme which the SID conference has picked up from the 1970 Cambridge Overseas Studies Conference on Employment and Development*.

The paper by Prof. Bognár is of special interest as coming from the East and yet arriving at policy prescriptions which are very similar. There is certainly no emphasis on all-out industrialisation, and some scepticism about direct mobilization of the people by strong central powers as applicable to developing countries.

The paper by David Morse is an impressive keynote paper, but the conceptual difficulty of measuring employment is even greater than he states.

---

*"Prospects for Employment Opportunities in the Nineteen Seventies:" Papers. Impressions of the 7th Cambridge Conference on Development Problems. Cambridge University Overseas Studies Committee Conference, Jesus College, Cambridge, Sept. 13-24, 1970. HMSO, London.

He defines the "underemployed" as those who "work less and earn less". The trouble is that in fact the working poor, those who earn less than an acceptable minimum, are often extremely hard working. This applies especially to women. There are other things in his paper which one could debate but it was an impressive opening of the conference.

As Dudley Seers said in his summing up: "The conference shifted the area of what it is respectable to discuss". The little volume will give a quick and good impression of what is now discussed at the frontier of respectability. This is a good return from the small investment of reading such a short volume.

H. W. SINGER

Man in the Pacific Islands: Essays on Geographical Change in the Pacific Islands, edited by R. GERARD WARD, *Oxford University Press*, 1972; pp. x + 339, maps, figures, index; £5.25.

Although there is a rapidly increasing number of specialised works available on the Pacific Islands, there is still a lack of good general books for students working in most disciplines. It is, perhaps, in response to this situation that symposia and volumes of "readings" are gaining in popularity. *Man in the Pacific Islands* is a collection of essays on changes in the Pacific over the past 200 years with contributions from geographers, historians, an archaeologist and a botanist. Thus a variety of viewpoints are brought to bear; some discussing the past, some the present, and some attempting to cover developments throughout the period of European contact.

Despite the constant (and sometimes irritating) references from one essay to another, the book lacks the type of coherence it could achieve by either focusing on a smaller area or by bringing varying points of view to bear on a single problem or group of related problems. And, as might be expected, the quality and achievement of the contributions varies a great deal. In discussing "Vegetation and Man . . .", for example, Dr. Robbins concentrates very much on the former to the detriment of the latter; his essay is, in fact, little more than a descriptive "map in words". Dr. Lea on "Indigenous Horticulture in Melanesia" and Dr. Farrell on "The Alien and the Land of Oceania" are also strong on description and, like too many contributors, concentrate their analysis in all-too-brief concluding sections. On urbanisation, Dr. McTaggart has some useful statistical data but too much of his material, especially on centres apart from Noumea, is now well out of date.

McTaggart's problem is shared by many of his fellow-contributors. In his introduction the editor mentions "the long period this volume has been in preparation". This has contributed to the main general defect of the book; some material is now out of date and few words published in the past five years have been cited by the authors, thus the value of *Man in the Pacific Islands* as an up-to-date survey of the literature in the fields covered is considerably diminished.

Professor Ward's essay on the *bêche de mer* trade with special emphasis on Fiji is a major contribution to the literature on the development of commerce in the Pacific in the 19th century and is a useful complement to work

already published on the sandalwood and coconut oil trades. Explicitly on some occasions and implicitly on others, Ward highlights the changes in island life demanded by the collection and processing of the edible sea-slug (compared, for example, with the cocnut oil trade which, before the establishment of commercial plantations, required little more than an extension of customary occupations). Changes were induced at two levels: for those employed in the trade – new work patterns, migration for employment, the concept of wage labour; and, more generally, the effects of the introduction of new concepts and material goods (especially firearms) and the consequent changes in the islands' social and political structure.

In his study of population growth in Western Samoa, Dr. Pirie has produced convincing arguments to explain population increase and decrease and migration within Samoa and overseas. In an early section Pirie emphasises the point – missed by many writers – that the coastal concentration of the Samoan population in the 19th century was a post-contact phenomenon that pre-dated the documentation of Samoan life that followed the arrival of missionaries in the 1830s. His discussion of the relationship between population growth, employment, and the prospects for future expansion of the agricultural sector is of particular relevance with so many of the Pacific microstates facing grave problems caused by rapid population growth and economic non-viability. In this regard, however, more recent data on the effects of migration to New Zealand would have been desirable.

Some of the themes discussed in Dr. Newbury's contribution on" Trade and Plantations in Eastern Polynesia" are common to many island groups: rapid population growth, movement to urban centres, "fitful and unspectacular" development of the economy, and dependence on primary products which must face fluctuating prices in a large world market. Apart from the documentation of the emergence of the "dependent economy" it is those areas where French Polynesia differs from other island states or possessions that arouse most interest. Thus the "total collapse of traditional authorities . . . under European rule" is in marked contrast to most other parts of the Pacific where traditional leaders found a niche for themselves in local government, co-operatives, business enterprise or, since the Second World War, in national political leadership. The dependence of French Polynesia's economy on direct and indirect assistance has increased since Newbury's article was written (thus validating at least one of his predictions) and serves to explain (at least in part) the lack of local opposition to the nuclear testing programme. Newbury's other contribution, on Makatea phosphates is useful for comparing with the literature now available on mining at Nauru and Ocean Islands. The similarities in methods used by exploiters or would-be exploiters are striking; the figure of John Arundel looms large on all three despite his attempts to avoid centre-stage. And, as Newbury suggests, mining has been a major agent of change in the Pacific – for those who have lost their lands, and for those who have become wage labourers – and is worthy of a comprehensive study.

Perhaps the most ambitious, yet one of the least satisfactory, of the contributions is that on the labour trade by Dr. Parnaby. Parnaby begins with the bold generalisation: "No aspect of European contact wrought more

change in the lives of the Pacific islanders than that occasioned by the labour recruiter", and, a little later: "The sum of all these changes (resulting from contact with Europeans) as they accelerated throughout the nineteenth and twentieth centuries has produced the present pattern of life in the islands, and the purpose here is to estimate the part of the labour trade in this process" (p. 124). Parnaby fails to succeed in his chosen purpose. He proceeds to an uninspired narrative of numbers of recruits, attempts at control, statutes, mortality rates and examples of kidnapping (mostly readily available in other published works) without any attempt of analysing the effects of the labour trade on either those societies which provided labour or those which became centres of mining and agricultural enterprise. There is no consideration of labour migration in the 20th century. Generally the author (though not this reader) is satisfied with such statements as: "It is quite obvious just from the number involved that the labour trade must have had profound repercussions on the island communities" (p. 141-2) without bothering to explore further.

Brief mention must also be made of the two best survey articles in this collection. In a manner comprehensible to the non-specialist Professor Golson provides an excellent coverage of the current state of archaeological research which serves as an ideal background to the succeeding papers. Professor Grocombe's emphasis on the similarity of the elements to be found in land tenure systems in the Pacific is particularly helpful in providing an introduction to more specialised studies. The discussion of post contact changes and the effects of colonial rule are, of necessity, brief and generalised but remain perceptive and to the point.

Because of its unevenness and the wide range of its subject matter, *Man in the Pacific Islands* is unlikely to become a basic text in any subject (especially in an expensive hardbound edition) but it includes a great deal of material that will be useful to students in most fields of Pacific studies.

BARRIE MACDONALD

India's Democracy, by A. H. HANSON and JANET DOUGLAS; *Weidenfeld and Nicholson, London* 1972; pp. xii, 236; £2.95, paperback £1.25.

The continuing stream of profiles of India's government and politics is good not only for the publishers but also for providing us with up-to-date reports on the body politic's state of health. Predictions of long-term political chaos after the 1967 elections are already dated. Mrs. Gandhi's problems with her supporters and with her communist allies may only just have begun, but the stability of the political system seems assured for some time. It is, however, among the chief merits of *India's Democracy* (sadly the last work of its senior author, A. H. Hanson) that the writers are well aware that political stability and representative democracy do not of themselves ensure economic growth or an equitable distribution of wealth. They are equally alive to the different ways in which identical institutions can be made to work. Although their stated aim is to "describe a set of political institutions", their analysis is never merely formal but relates the functioning of institutions to political behaviour in its widest sense.

Perhaps the best parts of the book are the chapters on planning and centre-state relations. The rise of the Planning Commission under Nehru as a "second cabinet" not envisaged in the constitution is well known. The authors stress the use of conditional financial grants for development purposes as a means of extending central control, and one might add the use of party institutions, notably the Working Committee, as a means of achieving uniformity when Congress is in power both at the national and the state levels. At the same time, however, they bring out well the political constraints which compel the centre to share resources equally between the states, even at the expense of growth-maximisation, and the capacity of the states to practise passive resistance towards the centre on politically sensitive issues such as foodgrain distribution and land reform. The Planning Commission has been restructured recently to reduce its executive role, but it remains to be seen how Mrs. Gandhi will ensure the implementation of the *garibi hatao* programme. For the basic contradiction in the Indian system is still that major decisions on planning are taken at the centre while most people's orientations are towards the local or at most the state levels of politics. The chapters on parliamentary government, the constitution, and local government are also valuable. They provide the basic facts while at the same time giving a very fair assessment of the capacities, the strengths and weaknesses, and the flexibility of each institution.

The section of the book that deals with political forces in India is, however, less satisfactory. Although the authors warn against too ready an acceptance of rigid categories of analysis, they themselves fall into the trap. Caste associations, for example, are described rightly as pressure groups on a par with trade unions, but their important function as agents of politicisation is ignored. Regional demands are treated simply as centrifugal forces rather than as essential components of political life. Even so, the organisation of Congress and its relationship with other parties are well set out. The reader will find a good account of the upheavals since 1967 and sensible speculation on the future.

Regrettably the book is marred by numerous petty mistakes, especially in the spelling of proper names. Perhaps the worst example is the double misrepresentation of Robert L. Hardgrave's name, which appears as Hardgreaves in the Further Reading section and as Hargraves in the text and index. Specialists writing for the general reader should be more not less careful than when writing for each other.

DAVID TAYLOR

Measuring Development: The Role and Adequacy of Development Indicators; ed. NANCY BASTER; *Frank Cass, London,* 1972; pp. 182; £2.50.

This collection of ten papers by different authors first appeared in April, 1972, as a special issue of the *Journal of Development Studies.* If any one underlying theme may be picked out, it is that the use of gross national product per head as an indicator of "development" is seriously inadequate. Political, as well as economic development comes under consideration. It is stressed by most authors that development indicators should reflect changes in the *capacity* to proceed further, as well as the level actually attained.

Perhaps the most lucid paper in the book is that by Dudley Seers on "What are we Trying to Measure?" His criterion of genuine development is the notably humane one of "the realisation of the potentiality of human personality". From this starting-point, he derives the three basic aims of adequate nutrition, full employment and a reasonable equality of income. We would all be agreed about the first; the desirability of the second, however, may vary in the ethical values of different societies – employment and self-respect may be more closely connected in Anglo-Saxon countries than in the Third World; the *desideratum* of income equality may also be culturally determined and, in any case, effects on productive investment and on entrepreneurial incentives have to be considered. Seers refers to China and Cuba as possible examples of countries where non-financial incentives seem to work. These examples are perhaps based on insufficient evidence and the experience of the Soviet Union and Eastern Europe would rather suggest the contrary. A notable feature of this paper is that its author, capable of great statistical sophistication when appropriate, should be so rationally sceptical of sophisticated techniques in countries of the Third World, where the inadequacy of basic data is so marked.

It is regrettable that, in contrast to the lucidity and precision of Seers' paper, some other contributions, especially those which attempt to be inter-disciplinary, should be ridden by jargon and show a perverse striving for quantification where none is really possible. For example, Riad Tabbarah's paper, "The Adequacy of Income: A Social Dimension in Economic Development", really does little more than expand on Duesenberry's well-known "demonstration effect". He has no real measure of social or political dysfunction caused by "inadequacy" of income, other than a vague reference to suicide rates, for which accurate data are notoriously unreliable. By contrast, Donald McGranahan's paper, "Development Indicators and Development Models", is a useful statistical contribution, describing a "system model" in which, in place of regression analysis which assumes a categorisation of variables into dependent and independent, a "best-fitting line" is used, giving a series of "correspondence points". Such lines can be used as a tool of diagnosis, via the comparison of different "profiles" between countries of roughly the same stage of development.

It is unfortunate that almost the longest paper in the book, "The Measurement of Institutional Characteristics of Nations: Methodological Considerations", by Irma Adelman and Cynthia Morris, should appear to be so pretentious and to lead to such a *ridiculous mus*. The greater part of the paper is devoted to the theory of measurement, with a rather defensive desire to prove that "institutional" data are as susceptible of measurement and ranking as are the traditional quantitative concepts of economic science. The paper is written without a single empirical example, and it scarcely seems necessary to write at such a high level of methodological abstraction to reach the conclusion that, under a single-party system, the attitude of the leadership is the most important factor in the degree of "grass-roots" political participation.

By contrast, Johan Galtung's paper on "The Relationship Between Human Resources and Development: Theory, Methods, Data", refreshes by

the use of empirical examples. Although unnecessarily ridden by jargon, the paper is interesting and original, if only for expressing the view that efficient changes in educational content (e.g. fewer lawyers, more engineers), should *not* go with undue social mobility – the idea being that it is important for the new engineers to have effective influence within the whole society. The great weakness of this paper is that it entirely ignores education in the field of agricultural extension, apparently assuming that industrialisation alone is the key to greater economic welfare.

The book as a whole makes very useful reading for anyone concerned with either the purposeful collection of social or economic data in less developed countries, or with the practical processes of planning.

There are rather too many misprints (e.g. "Towntree" for "Rowntree" on p. 25), and the irritating convention is followed of putting all footnotes, in which there is much substance, at the end of each paper, rather than at the foot of the page directly referring to the text.

ANNE MARTIN

The Role of Commissions in Policy Making, Ed. RICHARD A. CHAPMAN; *George Allen & Unwin Ltd., London,* 1973; appendix and index; pp. 206; £3.75 (£1.55 paperback).

In a recent television interview in Britain (January 1973) Senator McGovern, Mr. Anthony Crosland MP (Labour) and Mr. Angus Maude MP (Conservative) all agreed from their respective points of view that a common feature of contemporary politics was the alienation of people from government and to a lesser extent from Congress/Parliament. All three were agreed upon the real threat to the elected bodies stemming from this alienation and of the necessity for evolving new and relevant ways of re-establishing rapport with the electorate. All stressed the importance of associating the electorate with the formulation of policies and the endorsement of big decisions.

In Britain, as in a number of other European and Commonwealth countries, one of the classical ways of achieving some measure of participation in major political decisions by the electorate has been through the medium of Commissions and Committees whether statutory or *ad hoc*. This book gives the general reader and student an opportunity of considering afresh the question whether these classical modes of enquiry and advice can for much longer sustain the role of communications link between government, parliament and people, against competition from instant polls, plebiscites, street demonstrations, community action and a whole new battery of communication links stimulated by the mass media outside elective institutions. The question is not directly answered in any of the five individual contributions or in the editorial chapters but it can be inferred that there are now singularly few major issues of national policy which can fruitfully be remitted for the classical treatment by Commission or Committee. The complex nature of the problems and issues confronting societies in the Western world and their essentially long-term implications require continuous and exacting appraisal of a kind which is beyond the capability of amateur bodies however gifted

in terms of skill and ability the individuals who make up these bodies may be; or however well they may be serviced by experts and officials.

As might perhaps be expected the most revealing essay in the series is the one by Professor Kogan who was himself an official and the secretary of the Plowden Committee about which he writes with unrivalled knowledge. He and the reviewer were once colleagues in the Curriculum Study Group to which he refers *en passant* at p. 88. Here was an attempt by the government of the day to institute the kind of continuous and rigorous oversight of the curriculum development and examination process which is required if the national system of education is not to rigidify or drift into obsolescence. The attempt failed although the Schools Council which took its place has carried through a very considerable programme of activities related to the curriculum and the examinations system in schools. The Council itself is representative and therefore to an extent analogous with some of the Commissions and Committees studied in this volume. On the other hand it is in continuous session and produces reports and publications at will for wider consideration amongst educationists and others who wish to be concerned with policy in this vital area of societal change. There are other bodies as well like the NEDC and the Countryside Commission which could perhaps evolve or are perhaps evolving as paradigms of the way in which the dangers of total alienation between government, parliament and people may be averted.

L.W.N.

Whitehall and the Colonial Service: An Administrative Memoir, 1939-1956, by CHARLES JEFFRIES; *University of London*; pp. 105; £1.85.

This is an extremely valuable and authoritative account of the problems of organisation and management which arose in connection with the Colonial Service in the period of "decolonisation", an aspect of the story of the Colonial Service which has not previously been told. Nobody could tell it with surer balance or greater authority than Sir Charles Jeffries the author of this Memoir. After serving in the Colonial Office as head of the Colonial Service Department, in 1939 he became Assistant Under-Secretary of State, Personnel Division, and remained in that position until the end of the period dealt with here.

Others have written of the formation and development of the Colonial Service, notably Sir Ralph Furse in his "Aucuparius" in 1962, a book which deals charmingly with recruitment and training, for which he was brilliantly and uniquely responsible, but the history of the Colonial Service during the difficult period now covered has not previously been related. Certainly the tale now told reveals for the first time how much the evolving Colonial governments and the individual members of the Colonial Service owed to the persistent efforts of the Colonial Service Department to maintain the morale and standards of the Colonial Service in the teeth of constant frustrations, opposing pressures, difficulties and delays during the transition to independence, when the maintenance of a competent and contented service was all important while new independent structures were evolving. Members of Overseas Services who may have felt that the Colonial Office was dilatory

or unsympathetic in arranging terms of service which would give better security for the future as movement towards independence advanced will here learn more than was then possible of the reasons for such delays and uncertainties as there certainly were. On the one hand one reads of the efforts of Governments and Civil Service Associations to maintain such terms of service for overseas civil servants as would give them a reasonable feeling of security in difficult times of local pressure for advance to independence; on the other hand of the great colonial secretaries such as Mr. Oliver Lyttelton (later Lord Chandos) and Mr. Lennox-Boyd (later Lord Boyd of Merton) and their ministries at home battering at the Treasury and other barriers which might impede the adoption of measures designed to secure a contented body of overseas servants while pressures for political advance proceeded at sometimes an alarming rate with inadequately trained and inexperienced staff available to replace the Colonial Service.

Students of policy and Whitehall administration will in this Memoir find an authoritative and forthright account of the relations between divergent considerations and attitudes operating at different levels, defending diverse interests with persistence and tenacity. It is a fascinating study.

In the concluding paragraphs of his Memoir the author writes, "Whatever the view the historian may take of the British Government's record in the management of the Colonial Service, the Service itself will, I firmly believe, be held to have justified the often quoted words of the late Sir Abubaku Tofawa Belewa, spoken on the occasion of his country's achieving independence in 1960; 'we are grateful to the British officers whom we have known, first as masters and then as leaders and finally as partners, but always as friends'."

R. S. HUDSON

Book Notes

Projection Evaluation, by ARNOLD C. HARBERGER; *MacMillan,* 1972; tables, diagrams, index; pp. 330; £9.50.

Professor Harberger has been responsible for developing a course on development planning and policy. He has evolved his own theory of project evaluation and this volume consists of papers included on the reading list of his course. The author has made a particular study of India and he remarks that 25 per cent of the Indian rural labour force are landless workers at jeopardy when the extended family system takes in relatives instead of hired hands, yet the latter it seems earn on average approximately the *per capita* income of the country.

If an "unprotected" urban labourer earns double the equivalent job earnings in the rural sector, why doesn't the flow of migrant labour force down urban wages? – the answer of course is that higher wages in urban areas only offset to a limited extent the greater cost of urban living, i.e. higher urban wages do not relate to a higher standard of living.

The universal tendency for migration to flow from rural to urban areas is not contested, yet the author maintains that the flow in Panama is contained albeit some of the usual constraints are absent. This apparent incongruity seems to be left largely unexplained.

There is an interesting paper on an irrigation project. Prof. Harberger believes that the market value of water rights is likely to provide the most accurate way of assessing the irrigation benefit of the Ullum dams project in Argentina. The argument is cogently presented, yet one is left with a feeling that the project has been analysed as a scientific exercise without any deep regard for the broader social implications.

In his final chapter Professor Harberger examines aid to developing countries and he draws attention to a particular facet of aid which its detractors rarely take into account. The impact of aid on real income per head in most developing countries has probably been small, BUT the World Bank requirement, the "social rate of yield" of public sector investment at 10 per cent, is more stringent than the criteria applied to public investment projects in the USA. and he concludes ". . . we must lower our sights regarding the potential productivity of aid to realistic levels and . . . we must seek those *limited but plausible* ways in which those aid funds may perhaps be given more leverage . . ." Here, surely, is valuable food for thought by donors and recipients alike.

Papers and Proceedings of the Workshop/Seminar on Rural Institutions and Agricultural Development, Ed. WAHEEDUDDIN KHAN; *National Institute of Community Development, Hyderabad, India;* tables and bibliography; pp. 411; Rupees 40.

This volume contains the papers of a high level seminar held in India in 1971. H. W. Fairchild from the FAO, Rome; Asok Mitra, secretary of the Indian Planning Commission; J. C. Mathur, special secretary, Indian Ministry of Home Affairs, provided the keynote papers. Fairchild sees government responsibility for planning social change and establishing appropriate agricultural education and training as having the highest priority in the rural institutional field; he sees the need for a closer consultant-client relationship between government officers and local leaders so as to achieve participation by the people in institution-building. He is critical of hidebound bureaucracy and he believes that the small town in the rural sector has been neglected too long. It is easy to say a government "must" do this and that and "must" at the same time devolve more to local people – but in practice responsibility for the allocation of resources involves a measure of control and it is a mighty difficult task in every land for the piper to avoid calling the tune – often there are over-riding reasons why he has no alternative. Asok Mitra examines the needs of the small farmer, aware that new agricultural strategies can easily aggravate the disparities between large and small farmers. Much depends on the degree of commitment by government, co-operatives, local authorities, etc., to the task in hand. He complains of the sluggishness and

parochial attitudes of politicians and officials, and, unfortunately, the sound and sensible advice of the dedicated few, can rarely do more than influence very gradually the inevitably slow process of social change. How to carry the people with the rural planners is faced by J. C. Mathur who thinks that informal "interest groups", closer co-ordination of the administrative effort at all levels and the development of operational work plans based on a "systems approach" would be the best way to put into practice the rural social changes advocated by Fairchild and Mitra.

The Voter and Panchayati Raj, by G. RAM REDDY and K. SESHADRI; tables; pp. 113; Rupees 13.00.

Panchayat Taxes, by B. C. MUTHAYYA; tables, pp. 146; Rupees 15.00. Both books published by the *National Institute of Community Development, Hyderabad, India.*

Two past contributors to this Journal have joined forces in the preparation of a study of local elections in nine villages of Andhra Pradesh in 1970 (there is an odd reference in the Foreword to the study covering two successive elections).

To those like Henry Maddick whose faith in the democratic base for rural government in India, is unshakeable, the conclusion drawn by the authors will be heartening - "an overwhelming majority of the leaders feel that villages can be developed through the Panchayati Raj institutions . . ." the electorate appreciates what these institutions have done in the sphere of natural resources, education and family planning, the old caste fetters and ruling richer class monopoly of local political power is breaking down. If this message is correct and if it is of state and nation-wide application, then it would seem that *Panchayati Raj* despite its many problems and the criticism it evokes, may really be providing India with invaluable grass roots democracy. As is now all too prevalent in this type of Indian study, there is a plethora of tables – several of minimal value or interest, yet nowhere are the election results set out.

B. C. Muthayya studying the incidence of local tax collections among 444 residents in three villages in one district of Andhra Pradesh, also carries the cult of statistical tables to extreme limits. Researchers should appreciate that however much data they may collect, if the end and published product is to prove effective, there should be included only those figures which are really relevant and can help the reader to appreciate the validity of the argument or the factual exposition being put forward. One is left with a question mark against the assessment of majority views provided in the closing chapter – did these citizens, perhaps, tire of the endless questions?

Readings on Micro-Level Planning and Rural Growth Centres, Ed. LALIT K. SEN; *National Institute of Community Development, Hyderabad, India,* 1972; diagram, tables, bibliography; pp. 350. Rupees 35.00.

The editor has put together a collection of papers by a number of political scientists and planners who visited the NICD Hyderabad in 1970-71. The volume provides an introduction to micro-level planning in India.

The readings are drawn mostly from material published in the Nineteen Sixties - some go back earlier and a broad field is covered. Provided that their tutors emphasise the need to look well beyond the limited scope of a collation of short articles, Indian students should find this volume very helpful.

Panchayati Raj and Political Perceptions of Electorate, by K. SESHADRI and S. P. JAIN; *National Institute of Community Development, Hyderabad;* pp. 99; Rupees 14.

S. P. Jain's study of the 1971 mid-term election in the Parliamentary Constituency of Hyderabad, provides all sorts of tables, but this reviewer could find none in which the result of the election was shown in detail (Table 5:4 alone indicates the result!).

A great deal of trouble must have been taken by the research team which followed up this election, and no doubt politicians from several parties involved will study the umpteen tables provided here with varying interpretations and varying degrees of enlightenment. But one must wonder whether the end-product actually produces anything more than a cross-section of views at the time of a particular and unusual

(being mid-term) election. The author himself reaches one conclusion only – that the rural electorate is more sensitive to political cross-currents than voters in urban areas. Perhaps a number of the "don't knows" and "no answers" reflected "a plague on all your questions" attitude.

Kenyan Rural Development and Aid, by RASMUS RASMUSSON; *Swedish International Development Authority, Stockholm;* appendices; pp. 53.

Here is a short paper that examines recent Swedish assistance to the Special Rural Development Programme in Kenya. To those with active and up-to-date experience of the Kenya scene, Mr. Rasmusson's sometimes staccato and somewhat non-sequitur rapid fire approach may well be clear and meaningful; to the reader from outside it is hard to judge how far his very subjective evaluation (correct though he may often be) is really based on tenable conclusions. At any rate there is none of the complacency or over-reluctance to criticise or cynicism or emasculated format for reviewing, that all too often cloak the realities of development projects.

Attention is drawn to an "evil circle" of "inter-non-action" (if such a word may be coined) – a situation that surely must occur with frustrating frequency in many developing countries. In the case cited, the problem was resolved by the Team (one presumes the Swedish Technical Assistance Team) being sent home and by the Kenyans taking over more responsibility. One would like to know to what extent the SIDA aid effort continued to operate thereafter in rural Kenya.

The Kenya government departments concerned in Nairobi and in the field, and the donors and other aid agencies for their part also, will do well to study this paper and to ask themselves whether criticism where raised is justified and if so, should the finger point to themselves, to set about putting matters to right.

A very useful contemporary reading list is included.

From Village to State in Tanzania, the politics of rural development, by CLYDE R. INGLE; *Cornell University Press;* charts, tables, bibliography, index; pp. 279; £5.65.

The author writes earnestly and with sympathy towards Dr. Nyerere's social policies; the publishers present the material in admirable format; this Journal can rarely have received so many mentions by way of footnote references; yet £5.65 seems a great deal to pay for a modest study of rural politics in two districts of Tanzania.

Clyde Ingle does not seem to have distinguished very clearly between compulsory work undertaken within the bounds of ILO instruments, community self-help schemes and regulations compelling the citizen to follow certain agricultural methods (usually sensible anti-erosion measures, but sometimes in pre-independence days in the Lake and Eastern Provinces the peasant was burdened with far too many). The dread advance of the tsetse fly eastwards was halted in the Central Province, in the Thirties, as a result of large compulsory communal turn-outs. Post World-War II scientific advances brought new labour-saving methods, both for dealing with tsetse and with the red locusts of Rukwa.

The author deplores the use of force and questions whether the ends ever justify the means in the circumstances of rural Africa. The trouble here lies in muddled thinking. There is need for the law to be enforced else it fall into contempt. It is not force *per se* that is objectionable but the use of force (be it physical or "mere" intimidation) for purposes that are contrary to national or international law or which are imposed by a despot's whim. In this respect the example set by the Tanzania Government compares very favourably with that of very many other states.

B.B.C. Handbook 1973, *B.B.C. London,* 1972; illustrated, tables, index; pp. 294; 75p.

In many ways this is a model handbook. The diverse functions of the B.B.C. are clearly set out. There is a particularly useful "Reference" Chapter. Maps, Tables, a good selection of coloured and black and white photographs complement well written factual summaries covering home and overseas services, engineering, radio and television and a miscellany of helpful information – all for 75p.

Britain and the Developing Countries – Research Institutions; COI Reference pamphlet 103; *HMSO, London;* illustrated, pp. 43; 48p.

COI have produced a very useful reference booklet covering the varied facets of research in Britain related to developing countries. Short clearly-written chapters deal with: the organisation of international and overseas research and of research in Britain; scientific and technological research; medical research; economic, social and educational research; commercial research and the training of scientists for research.

Ghana – *Social Science Journal*

The "Ghana Social Science Journal" is published for the Faculty of Social Studies, University of Ghana, Legon, by the Ghana Publishing Corporation at Tema. The editor is Professor K. B. Dickson, head of the Geography department at the University. The price per issue in the UK is 85p and the annual subscription rate is £1.35.

The Theory and Practice of the Irish Senate, by JOHN MC G. SMYTH; *Institute of Public Administration, Dublin,* 1972; glossary and index; pp. 100; £1.50.

The Irish Senate as created by the constitution of 1922 held powers resembling those of the House of Lords in Britain. The number of senators was fixed at 60, their term of office 12 years, only electors of 30 years of age were eligible to vote for candidates who themselves were limited to nominations made by a joint panel of both Houses (once the first Senate was selected by specially devised means).

Constitutional changes in 1937 saw the introduction of a vocational Senate, with 11 nominated by the Premier and 49 members elected as follows: three by the National University of Ireland, three by the University of Dublin, 43 from five panels of candidates: not more than 11 and not less than five members may be elected from any one panel – with special requirements as to nominations. The electorate was limited to members of the existing senate and of the Dail and to specially elected representatives of local authorities – subsequently amended to include all the Councillors. The five panels cover culture and education (five members); agriculture and fisheries (11 members); labour interests (11 members); commerce and industry (nine members); public social and voluntary services (seven members).

John Smyth sets down and explains this complicated system in clear and simple language. He proceeds to examine the 1965 elections for the Industrial and Commercial panel. There were 22 candidates and under a system of proportional representation 19 counts were required before the election was complete.

The author describes the duties, powers and functions of the senators, the privileges of senators, the legislative processes employed and the administration provided by a joint secretariat. This very ably written study should be read by all who are interested in the working of the Constitution of Eire.

Mackinnon and East Africa, 1878-1895 – A study in the "New Imperialism", by JOHN S. GALBRAITH; *Cambridge University Press,* 1972; bibliography and index; pp. 253; £5.0.

This is a strange story for two reasons. First, here was Mackinnon typical God-fearing hard-working Scots businessman who became "one of the merchant princes of the East" commanding one of the world's great fleet of ships, who in his late fifties abandoned all his business methods to create a new and unsuccessful enterprise in East Africa. Secondly, here was a Chartered Company in a new commercial field which eschewed the accepted profit-making principles and floundered to financial disaster through Mackinnon's newly-acquired philanthropical ideals subordinating his better (or perhaps his worse) trading instincts.

The East Africa Company failed but it earned credit even from Labouchere's "Truth" – the scourge of most imperialist designs; the founders established their influence "without bloodshed and by their own unaided efforts" and with more government backing might have struggled to success. After all it was not long before the Kenya-Uganda railway construction began – a decade earlier advocated by the Chartered Company and probably, if government-supported, its last chance to have avoided bankruptcy.

"Salutary Neglect" – Colonial Administration under the Duke of Newcastle, by JAMES HENRETTA; *Princeton University Press, New Jersey, USA: Oxford University Press, London,* 1972; bibliography and index; pp. 381; £7.25.

In eighteenth-century Britain "patronage was power". The Duke of Newcastle from an ineffectual young cypher became one of the most powerful political figures in the land, wielding great power and patronage, surviving the vicissitudes of politics in high office for more than 40 years. No contemporary figure consolidated and maintained his position more successfully through a shrewd use of patronage – the one means of ensuring loyal support from the maximum number of place-holders. His younger brother was the senior statesman, together they administered the colonies, inheriting an inefficient and corrupt system and doing nothing to set it to rights or even to check further deterioration in the standards of administration. They used their patronage to solidify their hold on the reins of government. Royal patronage had been replaced by Parliamentary patronage executed by a few politicians and this led to over centralised control in Westminster and the undermining of the position of chief colonial executives in the Americas.

Short-sighted and selfish patronage policies pursued by Newcastle and his colleagues ignored local needs and feelings and were determined almost entirely by their own private interests. When "military defence and financial necessity forced . . . political leaders to re-evaluate the nature of the Colonial system . . . much of the damage had already been done". The Boston Tea Party and the American Revolution had become an inevitable consequence.

Printed in England for HER MAJESTY'S STATIONERY OFFICE
by Adams & Sons (Printers) Ltd., East Street, Hereford.
Dd 507027 K16 6/73